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LEGISLATIVE HISTORY

S. 3873

Public Law 85-781

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DIGEST OF PUBLIC LAW 85-781

INTERCHANGE OF INSPECTION SERVICES. Amends the Federal Property and Administrative Services Act of 1949 so as to authorize any executive agency, in conformity with policies prescribed by the General Services Administrator, to utilize the services, work, materials, and equipment of any other executive agency, with the consent of such other agency, for the inspection of personal property incident to the procurement thereof, without reimbursement or transfer of funds.

# S. 3873

# A BILL

85TH CONGRESS
2D SESSION

# S. 3873

IN THE SENATE OF THE UNITED STATES

MAY 21, 1958

Mr. MCCLELLAN (by request) introduced the following bill; which was read twice and referred to the Committee on Government Operations

# A BILL

To amend section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 201 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377, as amended; 40 U. S. C. 481) is amended by adding at the end thereof the following new subsection:

"(d) In conformity with policies prescribed by the

Administrator under subsection (a), any executive agency may utilize the services, work, materials, and equipment of any other executive agency, with the consent of such other executive agency, for the inspection of personal property incident to the procurement thereof, and notwithstanding section 3678 of the Revised Statutes (31 U. S. C. 628) or any other provision of law such other executive agency may furnish such services, work, materials, and equipment for that purpose without reimbursement or transfer of funds."

85TH CONGRESS
2D SESSION

# S. 3873

## A BILL

To amend section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds.

By Mr. McCLELLAN

MAY 21, 1958
Read twice and referred to the Committee on Government Operations

high degree of association was found between total death rates and cigarette smoking; a far lower degree of association between total death rates and cigar smoking; and a small degree of association between total death rates and pipe smoking.

There being a considerable relationship between cigarette smoking and total death rates, the next step was to determine which diseases were involved. The available source of information was cause of death as recorded on death certificates supplemented by more detailed medical information where cancer was mentioned.

An analysis of the data showed the following relationships with cigarette smoking: (1) an extremely high association for a few diseases such as cancer of the lung, cancer of the larynx, cancer of the esophagus, and gastric ulcer; (2) a very high association for a few diseases such as pneumonia and influenza, duodenal ulcer, aortic aneurysm, and cancer of the bladder; (3) a high association for a number of diseases such as coronary artery disease, cirrhosis of the liver, and cancer of several sites; (4) a moderate association for cerebral vascular lesions; (5) little or no association between cigarette smoking and a number of diseases including: chronic rheumatic fever, hypertensive heart disease, other hypertensive diseases, nephritis and nephrosis, diabetes, leukemia, cancer of the rectum, cancer of the colon, and cancer of the brain; (6) a lower death rate among men who had given up cigarette smoking for a year or more before being enrolled in the study than among those who were smoking cigarettes regularly at that time.

The findings in relation to lung cancer may be summarized as follows:

Of a total of 11,870 deaths reported, 448 were attributed to lung cancer. These showed a high degree of association with cigarette smoking. Of these 448 deaths, 32 were from adenocarcinoma and 295 cases were microscopically proved with good evidence of being primary bronchogenic carcinoma. For this group of 295 well-established cases the association with smoking habits was even more pronounced than for the total group. * * *

The death rate (well-established cases) goes up sharply with the amount of cigarette smoking for men with histories of regular smoking of cigarettes only. The age-standardized death rate for the men with this diagnosis, smoking 2 or more packs a day, was 217.3 per 100,000 per year. In contrast, the age-standardized death rate from microscopically proved cancer of all sites combined was only 177.4 per 100,000 per year for men who never smoked. The death rate from bronchogenic carcinoma alone among two-pack-a-day cigarette smokers was higher than the total cancer death rate of men who never smoked.

Men currently smoking 1 pack or more of cigarettes a day in 1952 had a death rate from well-established lung cancer of 157.1 per 100,000 per year. Those who previously smoked at this level but had stopped smoking for from 1 to 10 years had a rate of 77.6, and those who had stopped for 10 years or longer had a rate of only 60.5.

The death rate from well-established lung cancer, exclusive of adenocarcinoma was found to be higher in cities than in the country. The age-standardized death rate was 34 per 100,000 in rural areas and 56 in cities of over 50,000 population—39 percent lower in the rural areas. Cigarette smoking is more common in cities than in the country. Standardized for smoking habits as well as for age, the rate was 39 in rural areas and 52 in cities of more than 50,000 population—still a 25-percent difference. This difference may be caused by some etiological factor associated with city life, or to better case finding and diagnosis in the cities. However, the lung cancer death rate was low among men who never smoked cigarettes regularly and high among cigarette smokers in large cities, small cities, suburbs, towns, and rural areas. Whatever the urban factor may be, its effect on lung cancer death rates is small compared with the effects of cigarettes.

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HEALTH—SECTION ON LUNG CANCER

The study group on smoking and health was organized in June 1956, at the suggestion of the American Cancer Society. The American Heart Association, the National Cancer Institute, and the National Heart Institute, to review the problem of the effects of tobacco smoking on health and to recommend further needed research to the sponsoring organizations.

The study group has held six 2-day conferences, has examined the pertinent literature and more recent unpublished reports, and has consulted with scientists representing specialized areas of research concerned with the subject.

The study group, cognizant of the implications of its conclusions and recommendations, now submits the following joint report. * * *

CONCLUSIONS

The study group concludes that the smoking of tobacco, particularly in the form of cigarettes, is an important health hazard. The implications of this statement are clear in terms of the need for thorough consideration of appropriate control measures on the part of the official and voluntary agencies that are concerned with the health of the people. The lack of specific recommendations in this regard reflects no lack of interest. Rather, it reflects the desire of the study group to limit its recommendations to the area of research needs in accordance with the instructions it received. The study group recommends that further research on smoking and health be vigorously pursued. The recommendations made in the section on lung cancer are for research into means of coping with lung-cancer hazard, which has been established for cigarette smoking. The study group on smoking and health approves dissemination of this report as desired by the sponsoring agencies and hereby terminates its activities.

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TOBACCO SMOKING AND CANCER OF THE LUNG

(Statement of the (British) Medical Research Council)

THE INCREASE IN LUNG CANCER

In their annual report for 1948–50 the Council drew attention to the very great increase that had taken place in the death rate from lung cancer over the previous 25 years. Since that time the death rate has continued to rise, and, in 1955 it reached a level more than double that recorded only 10 years earlier (388 deaths per million of the population in 1955 compared with 188 in 1945). Among males the disease is now responsible for approximately 1 in 18 of all deaths. Although the death rate for females is still comparatively low, it also has shown a considerable increase in recent years and the disease is now responsible for 1 in 103 of all female deaths.

Three comments may be made on these figures. In the first place, the trend over the last few years indicates that the incidence has not yet reached its peak. Secondly, the figures are not to be explained as a mere reflection of the introduction and increasing use of improved methods of diagnosis but must be accepted as representing, in the main, a real rise in the incidence of the disease, to an extent which has occurred with no other form of cancer. Thirdly, only a small part of the rise can be attributed to the large numbers of older persons now living in the population; in the last 10 years the lung-cancer death rates among both men and women have risen at all ages from early middle life onward.

POSSIBLE CAUSES OF THE INCREASE

The extent and rapidity of the increase in lung cancer point clearly to some potent environmental influence which has become prevalent in the past half-century and to which different countries, and presumably also men as compared with women, have been unequally exposed. The pattern of incidence of the disease rules out any possibility that the increase can be due, in a substantial degree, to special conditions, such as occupational hazards, affecting only limited groups. It is necessary to seek some factor or factors distributed generally throughout the population, and in considering the possibilities it must be borne in mind that a very long period, 20 years or more, may elapse between exposure to a carcinogenic agent and the production of a tumor. From the nature of the disease attention has focused on two main environmental factors: (1) the smoking of tobacco, and (2) atmospheric pollution—whether from homes, factories, or the internal combustion engine.

SMOKING AS A CAUSE OF LUNG CANCER

Epidemiological surveys: The evidence that heavy and prolonged smoking of tobacco, particularly in the form of cigarettes, is associated with an increased risk of lung cancer is not based on the observation that the substantial increase in the national mortality followed an increase in the national consumption of cigarettes. It is derived from two types of special inquiry. In the first, the patients with lung cancer have been interviewed and their previous histories in relation to smoking and other factors that might be relevant have been compared with those similarly obtained from patients without lung cancer. The results of 19 such inquiries (in this country, the United States of America, Finland, Germany, Holland, Norway, and Switzerland) have been published. They agree in showing more smokers and fewer nonsmokers among the patients with lung cancer, and a steadily rising mortality as the amount of smoking increases. In the second type of inquiry, information has been obtained about the smoking habits of each member of a defined group in the population and the causes of the deaths occurring subsequently in the group have been ascertained. There have been 2 such investigations, 1 in the United States of America covering 190,000 men aged 50 to 69, and the other in this country covering over 40,000 men and women whose names appeared on the Medical Register of 1951. In both, the results have been essentially the same. The investigation in this country, which has now been in progress for more than 5 years, has shown with regard to lung cancer in men:

(1) A higher mortality in smokers than in nonsmokers.

(2) A higher mortality in heavy smokers than in light smokers.

(3) A higher mortality in cigarette smokers than in pipe smokers.

(4) A higher mortality in those who continued to smoke than in those who gave it up.

It follows that the highest mortalities were found among men who were continuing to smoke cigarettes, heavy smokers in this group having a death rate nearly 40 times the rate among nonsmokers. Although no precise calculation can be made of the proportion of lifelong heavy cigarette smokers who will die of lung cancer, the evidence suggests that, at current death rates, it is likely to be of the order of 1 in 8, whereas the corresponding figure for nonsmokers would be of the order of 1 in 300. The observation on the effect of giving up smoking is particularly important, since it indicates that men who cease to smoke, even in their early forties, may

reduce their likelihood of developing the disease by at least one-half.

It should be noted that the excess of deaths from lung cancer among smokers was not compensated for by any corresponding reduction in the number of deaths from cancer of other sites in the body; in other words, there was a total incidence of cancer in the smoking groups in excess of the incidence that would have prevailed in the absence of smoking.

It will be apparent from what has been said that the evidence from the many inquiries in the past 8 years, both in this country and abroad, has been uniformly in one direction and is now very considerable. It has been further strengthened recently by the observation from several sources that the extent of the relationship with smoking differs for different types of lung tumor which can be distinguished only by microscopic examination.

Laboratory evidence: From the physical and chemical point of view there is nothing inherently improbable in a connection between smoking and lung cancer. Tobacco smoke consists largely of microscopic oily droplets held in suspension in air, and these droplets are of a suitable size to be taken into the lungs and retained there. Over a hundred constituents have so far been identified and, among these, five substances have already been found which are known to be capable, in certain circumstances, of causing cancer in animals. Some workers have succeeded in producing tumors in animals by painting concentrated extracts of tobacco tar on the skin. Known carcinogens are present in tobacco smoke in very small amounts however, and there is no certainty that such low concentrations could be harmful to human beings. Nevertheless, the finding of carcinogenic agents in tobacco smoke is an important step forward, in that it provides a rational basis for the hypothesis of causation.

ATMOSPHERIC POLLUTION AS A CAUSE OF LUNG CANCER

It has been known for some years that mortality from lung cancer is greater in urban areas than in the countryside. This fact, together with the identification of carcinogenic substances in coal smoke and in motor-vehicle exhausts, has led to the supposition that exposure to atmospheric pollution may be concerned with the increase in lung cancer. The role of atmospheric pollution is particularly difficult to investigate, however, and the evidence is neither so consistent nor so extensive as that relating to tobacco smoking. On the one hand no excess mortality from lung cancer has been observed in persons who would be especially exposed by the nature of their work to atmospheric pollution—for example, transport workers, garage hands, and policemen. On the other hand, the results of a number of investigations have suggested that a relationship does exist between atmospheric pollution and lung cancer. Perhaps the best evidence for this relationship comes from studies of the small number of deaths from the disease among nonsmokers in different types of residential district; in these studies higher death rates have been observed among nonsmokers in large towns than among those in rural areas. On balance it seems likely that atmospheric pollution plays some part in causing the disease, but a relatively minor one in comparison with cigarette smoking.

ASSESSMENT OF THE EVIDENCE RELATING TO SMOKING AND LUNG CANCER

Knowledge of the causation of lung cancer is still incomplete. Many factors other than tobacco smoking are undoubtedly capable of producing the disease; for example, at least five industrial causes have been recognized. Nevertheless, the evidence for an association between lung cancer and tobacco smoking has been steadily mounting throughout the past 8 years and it is significant that, during the whole of this period, the most critical examination has failed to invalidate the main conclusions drawn from it. It has indeed been suggested that the fundamental cause may be some common factor underlying both the tendency to tobacco smoking and to the development of lung cancer some 25 to 50 years later, but no evidence has been produced in support of this hypothesis.

In scientific work, as in the practical affairs of everyday life, conclusions have often to be founded on the most reasonable and probable explanation of the observed facts and, so far, no adequate explanation for the large increase in the incidence of lung cancer has been advanced save that cigarette smoking is indeed the principal factor in the causation of the disease. The epidemiological evidence is now extensive and very detailed, and it follows a classical pattern upon which many advances in preventive medicine have been made in the past. It is clearly impossible to add to the evidence by means of an experiment in man. The council is, however, supporting a substantial amount of laboratory research which may throw more light on the mechanism by which tobacco smoke and other suspected causative factors exert their effect, and which may thus eventually add to the degree of proof already attained as a result of studies of human populations. It must be emphasized, however, that negative results from work with animals cannot invalidate conclusions drawn from observations on man.

CONCLUSIONS

1. A very great increase has occurred during the past 25 years in the death rate from lung cancer in Great Britain and other countries.

2. A relatively small number of the total cases can be attributed to specific industrial hazards.

3. A proportion of cases, the exact extent of which cannot yet be defined, may be due to atmospheric pollution.

4. Evidence from many investigations in different countries indicates that a major part of the increase is associated with tobacco smoking, particularly in the form of cigarettes. In the opinion of the council, the most reasonable interpretation of this evidence is that the relationship is one of direct cause and effect.

5. The identification of several carcinogenic substances in tobacco smoke provides a rational basis for such a causal relationship.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3867) to provide grants to the States to assist them in informing and educating children in schools with respect to the harmful effects of tobacco, alcohol, and other potentially deleterious consumables, introduced by Mr. NEUBERGER, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

## EXTENSION OF AVAILABILITY OF CERTAIN APPROPRIATIONS FOR EMERGENCY CONSERVATION MEASURES TO JUNE 30, 1960

Mr. CHAVEZ. Mr. President, I introduce for appropriate reference, a bill to extend the availability of certain appropriations for emergency conservation measures to June 30, 1960.

Specifically, this bill extends the time limits for utilization of emergency conservation funds under Public Law 85-58 and Public Law 85-170. It will then make available beyond June 30, 1958, funds for disaster areas stricken by recent spring floods. In my own State of New Mexico, some $60,000 of dike damage was suffered along the Gila River in Grant County. This had already been designated a drought disaster area in July 1957. The Secretary of Agriculture has now designated the Gila River as a flood disaster area. Unless the emergency fund date be extended, this area and similar areas over the Nation will be deprived of reconstruction and subsequent and anticipated floods will inflict irreparable damage. I hope my colleagues in the Senate will give this bill their quick and favorable action.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3869) to extend the availability of certain appropriations for emergency conservation measures to June 30, 1960, introduced by Mr. CHAVEZ, was received, read twice by its title, and referred to the Committee on Appropriations.

## AMENDMENT OF ADMINISTRATIVE EXPENSES ACT OF 1946, RELATING TO PAYMENT OF CERTAIN TRAVEL AND TRANSPORTATION COSTS

Mr. McCLELLAN. Mr. President, by request, I introduce for appropriate reference a bill to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the continental United States and Alaska and for other purposes.

This bill was submitted to the Congress by the Chairman of the United States Civil Service Commission as a part of the administration's program for 1958.

The bill is being introduced pursuant to a request from the Chairman of the United States Civil Service Commission addressed to the President of the Senate on February 24, 1958. I ask that a copy of the letter of transmittal be printed in the RECORD at this point as a part of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 3872) to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the continental United States and Alaska and for other purposes, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

UNITED STATES CIVIL SERVICE COMMISSION,
*Washington, D. C., February 24, 1958.*

The Honorable RICHARD M. NIXON,
*President of the Senate,*
*Washington, D. C.*

MY DEAR MR. PRESIDENT: We are submitting for the consideration of the Congress proposed legislation that would authorize the payment of travel and moving expenses

for certain new employees of the Federal Government and would also provide for the payment of an applicant's travel costs to a Federal laboratory or installation under certain conditions as a means of encouraging employment. There are enclosed: (1) a draft bill; (2) a section analysis of the proposed bill; and (3) a statement of purpose and justification.

The proposed bill will significantly improve the ability of the Federal Government to attract able scientists and engineers and other personnel in short supply whose skills are essential to the national security effort and to the proper functioning of the executive departments. If enacted, this legislation would place Government laboratories seeking scientists and engineers on a more equal footing with private industry, which for some time has been paying travel and moving expenses for its new employees and travel expenses for applicants to visit plants as an aid in recruitment. It will also assist Federal departments in securing needed personnel in other shortage occupation. Legislation of this kind is vital to the effective continuation of Federal research and development activities and to other important activities of Federal departments and agencies.

A bill similar to the present proposal was introduced in the 84th Congress and was passed with amendments by the House of Representatives. The bill now proposed incorporates the amendments made by the House of Representatives and is identical to that which was passed by that body in the last Congress.

Because of the great urgency of the situation regarding the shortage of scientific and engineering personnel in the Government service, the Civil Service Commission strongly urges the early and sympathetic consideration of this proposed bill by the Congress.

The Bureau of the Budget advises there would be no objection to the submission of this draft bill to Congress.

By direction of the Commission:

Sincerely yours,

HARRIS ELLSWORTH,
*Chairman.*

## AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, RELATING TO INTERCHANGE OF INSPECTION SERVICES

Mr. McCLELLAN. Mr. President, by request, I introduce for appropriate reference, a bill to amend the Federal Property and Administrative Services Act to authorize the interchange of inspection services between executive agencies and the furnishing of such services by one executive agency to another without reimbursement or transfer of funds.

This bill is being introduced at the request of the Administrator of General Services. Its objective is to eliminate the requirement for monetary reimbursement for inspection services rendered by one executive agency to another, and to authorize administrative procedures whereby one executive agency may exchange its inspection services with those of other agencies on a reimbursement in kind basis, and, under certain conditions, waive reimbursement for such services furnished to another agency. According to the letter submitted to the Congress by the Administrator of General Services, enactment of the proposed legislation will promote economy and efficiency in the vast procurement work of the Government by dispensing with present extensive billing, cross-billing, and reimbursement procedures attendant upon agencies furnishing their inspection services to other agencies.

I request that the letter addressed to the President of the Senate under date of April 9, 1958, by the Administrator of General Services transmitting a draft of this proposed legislation and explanation thereof, be incorporated in the RECORD at this point as a part of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 3873) to amend section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

GENERAL SERVICES ADMINISTRATION,
*Washington, D. C., April 9, 1958.*

Hon. RICHARD M. NIXON,
*President of the Senate,*
*Washington, D. C.*

MY DEAR MR. PRESIDENT: There is enclosed for your consideration a draft of a bill to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds.

The purpose of this legislative proposal is to eliminate the requirement for monetary reimbursement for inspection services rendered by one executive agency to another, and to authorize administrative procedures whereby one executive agency may exchange its inspection services with those of other agencies on a reimbursement-in-kind basis, and, under certain conditions, waive reimbursement for such services furnished to another agency. Enactment of the proposed bill will promote economy and efficiency in the vast procurement work of the Government by dispensing with the present extensive billing, cross-billing, and reimbursement procedures attendant upon agencies furnishing their inspection services to other agencies.

Where executive agency A, by reason of the large amount of its procurement from a particular supplier's plant, maintains inspectors there or has them readily available from a nearby office of the agency, it is only good business practice for agency B, when it procures from that plant, to utilize the already available inspection services of agency A, rather than to furnish additional inspectors of its own.

Thus, many military inspection activities maintain resident inspectors, and also make inspection service available on an itinerant basis by groups of military material inspectors stationed in the area, in plants where GSA contracts are being placed. This work is performed for GSA and other agencies on a reimbursable or transfer-of-funds basis, with attendant cross-billing involving heavy administrative costs. Conversely, over half of GSA's purchases are for delivery to military activities, and GSA (in some instances by the use of its own inspectors regularly stationed in plants) performs the inspection for the items delivered to the military. The cross-billing by one agency to another for the inspection services rendered by the former agency leads into a maze of administrative and fiscal accounting costs, the elimination of which is sought by the proposal embodied in the enclosed bill. The overall interests of the Government will best be served by the interchange of inspection services with a minimum of accountability and exchange of funds.

Section 201. (a) of the Federal Property and Administrative Services Act of 1949 imposes the responsibility on the Administrator of General Services, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned, to prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including, among others, the related function of inspection. However, as regards the furnishing of inspection services by one executive agency to another, without reimbursement or transfer of funds, we encounter section 3678 of the Revised States (31 U. S. C. 628), which reads as follows:

"Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others."

The Department of Defense has taken the view that expenditures of appropriated funds are permissible only for those purposes for which the appropriations were made, and that legislative action therefore appears necessary for the exchange of inspection services between GSA and the Department of Defense when reimbursement funds are not provided in the arrangement between them. Under this view, the Department of Defense, for example, having inspectors regularly stationed at a certain manufacturing plant supplying the Department, cannot make their services available to GSA for inspection of supplies which that plant may furnish to GSA unless the Department is reimbursed by GSA for the value of the inspection work done by the Department for GSA. The consequent burden of cross billing and paperwork should, from the point of efficient business procedure, be removed.

The proposed bill, by the addition of a new subsection (d) to section 201 of the Federal Property and Administrative Services Act of 1949, would alleviate this situation. Should the measure be enacted, the Administrator of General Services, utilizing his authority under section 201 (a) of the act with respect to inspection, and his authority under section 205 (c) of the act to prescribe regulations necessary to effectuate his functions under the act, would be in a position to provide by regulation that, with the consent of the agencies concerned:

(1) agencies may exchange inspection and testing services in the interest of overall economy on a reimbursement in kind basis, without cross-billing or monetary reimbursement;

(2) when inspection and testing services performed by one agency for another result in time or other expenditure aggregating less than a limited dollar amount (for example, $100) on a single contract or order, no charge need be made for the services; and

(3) agencies may perform inspection and testing services of any value without reimbursement where resident or itinerant services are immediately available in a manufacturing plant or nearby, and where personnel increases are not necessitated by the additional work.

Any such regulations issued by the Administrator would not, of course, affect the authority of agencies to make and receive reimbursement for inspection and testing services in appropriate cases, such as those where the volume of inspecting work is ex-

tensive, or would require the inspecting agency to augment its staff.

The proposal embodied in the enclosed bill finds a precedent in a comparatively recent enactment applicable only to the departments and organizations within the Department of Defense, which we are informed has proven itself in operation to be both businesslike and economical. Section 621 of the National Military Establishment Appropriation Act, 1950 (63 Stat. 987, 1020, now codified in 10 U. S. C. 2571), includes the provision that, if its head approves, a department or organization within the Department of Defense may, upon request, perform work and services for, or furnish supplies to any other of those departments or organizations without reimbursement or transfer of funds. The administrative implementation of this statutory authority (Department of Defense Directive No. 7230.1 of May 19, 1953) recognized that the processing of numerous small dollar value vouchers for reimbursement for interagency transactions results in unnecessary expense and uneconomical use of manpower, and required that (subject to certain exceptions) each military department shall therefore waive collection of reimbursements for interagency and intra-agency transactions where the amount involved is less than $100.

We are informed that surveys conducted by the Army and the Navy some time ago indicated that the cost of originating and processing cross billing on a Standard Form 1080 (Voucher for Transfers between Appropriations and/or Funds) in a single instance ranged from $50 to $100. During the past few years, however, the Department of Defense and its military departments have practically eliminated overlapping and duplication of material inspection in over 30,000 manufacturing plants furnishing materials and equipment to the departments. In these plants a single military inspection activity performs inspection of all materials and equipment procurement for all the Armed Forces. The 14 military inspection activities of the Department of Defense (7 Army, 6 Navy, and 1 Air Force) perform inspection interchange for each other on a "reimbursement in kind" basis. There is no requirement that records be maintained to establish an equitable basis for the amount of reimbursement in kind. Thus cross billing, with its attendant high administrative costs, is eliminated.

The extension throughout the Government of uniform, adequate, and businesslike interchange of procurement inspection, testing, and acceptance services, as proposed by the enclosed bill, would encourage more effective utilization of personnel on a Government-wide basis. It would also promote the economy and efficiency sought to be attained by the Congress when it enacted the Federal Property and Administrative Services Act of 1949. Although no data are available as to the number of cross billings and transfers of funds that would be eliminated by enactment of the bill, it is obvious that dispensing with extensive paperwork and attendant financial accounting for individually small sums will achieve savings.

For these reasons, GSA recommends early enactment of the proposed bill.

The Bureau of the Budget has advised that there is no objection to the submission of this legislative proposal to the Congress.

Sincerely yours,

FRANKLIN FLOETE,
*Administrator.*

## WEARING OF DECORATIONS BY CERTAIN FEDERAL RETIRED PERSONNEL—AMENDMENT

Mr. COOPER submitted an amendment, intended to be proposed by him, to the bill (S. 3195) to authorize certain retired personnel of the United States Government to accept and wear decorations, presents, and other things tendered them by certain foreign countries, which was ordered to lie on the table, and to be printed.

## AMENDMENT OF MUTUAL SECURITY ACT OF 1954—AMENDMENTS

Mr. MORSE. Mr. President, I send to the desk a series of amendments to the bill (S. 3318) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, now under consideration for mark-up by the Committee on Foreign Relations. I should like to have them printed so that they may be considered in committee.

The PRESIDENT pro tempore. The amendments will be received, printed, and referred to the Committee on Foreign Relations.

Mr. O'MAHONEY submitted amendments, intended to be proposed by him, to Senate bill 3318, supra, which were referred to the Committee on Foreign Relations, and ordered to be printed.

Mr. KENNEDY (for himself and Mr. COOPER) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 3318, supra, which was referred to the Committee on Foreign Relations, and ordered to be printed.

## LIMITATION OF APPELLATE JURISDICTION OF SUPREME COURT IN CERTAIN CASES—AMENDMENTS

Mr. JAVITS. Mr. President, on May 2, 1958, on behalf of myself, and Senators CLARK, HENNINGS, LANGER, PROXMIRE, NEUBERGER, MORSE, and HUMPHREY, I introduced a joint resolution (S. J. Res. 169) to propose an amendment to the Constitution of the United States relating to the jurisdiction of the Supreme Court. Last Thursday the Committee on the Judiciary reported out Senate bill 2646, introduced by the Senator from Maryland [Mr. BUTLER], and the Senator from Indiana [Mr. JENNER], which is a bill limiting the Supreme Court's appellate jurisdiction in certain cases; the accompanying report indicates clearly that the intent of this bill is to curb and intimidate the Court.

Therefore, I now propose that the constitutional amendment previously introduced by me and my associates to protect the Supreme Court from just such Court raiding be substituted for the text of S. 2646. It would strike out the language of the bill as reported by the Judiciary Committee, and in its place substitute a constitutional amendment guaranteeing the Supreme Court's appellate jurisdiction in law and fact in constitutional cases. The amendment would add the following sentence to the language of paragraph 2 of Section 2 of Article III of the Constitution:

> In all cases arising under this Constitution the Supreme Court shall have appellate jurisdiction, both as to law and fact.

In short, in these instances, jurisdiction by the Supreme Court would not be subject to legislative exceptions, as it now is, but the Court would be solemn act be confirmed in a constitutional power it has had almost without attack since Marbury against Madison was decided in 1803. Such a constitutional amendment now appear to be vital to assure the continuance of one of the fundamental safeguards of the individual and of minorities inherent in our form of government—the power of the Supreme Court as a final tribunal of decision to declare an act of Congress or a law of a State to be contrary to the United States Constitution, thereby establishing it in fact as well as in words as the supreme law of the land.

Yesterday, the American Bar Association's board of governors, which is the governing body when the House of Delegates is not in session, adopted a resolution overwhelmingly stating that it "opposes the enactment of the so-called Jenner bill, S. 2646, as amended and reported by the Judiciary Committee of the Senate, which combines a limitation on the appellate jurisdiction of the Supreme Court and a threat to the independence of the Judiciary with substantive changes of far-reaching significance which should be considered independently of each other and only after adequate public hearings at which the organized bar and others interested can be heard." It declared it to be "a threat to the independence of the judiciary."

A special committee report to the board of governors further pointed out:

> The effect of combining these unrelated amendments into a single bill which includes as its first section the withdrawal of appellate jurisdiction of the Court in the area of bar admissions inevitably makes of the committee bill exactly the same character of legislation as proposed by the Jenner bill originally, i. e., an act to penalize the Supreme Court because of the disagreement of Congress with certain of its decisions and, hence, an attack upon the independence of the judiciary.

At this point in my remarks I ask unanimous consent to have printed in the RECORD the full report of the board of governors, together with a copy of the resolution adopted.

There being no objection, the report and resolution were ordered to be printed in the RECORD, as follows:

REPORT TO THE BOARD OF GOVERNORS BY THE SPECIAL COMMITTEE ON INDIVIDUAL RIGHTS AS AFFECTED BY NATIONAL SECURITY OF THE AMERICAN BAR ASSOCIATION

RECOMMENDATION

The special committee on individual rights as affected by national security recommends that the board of governors adopt the following resolution:

I

"*Resolved,* That the American Bar Association opposes the enactment of the so-called Jenner bill, S. 2646, as amended and reported by the Judiciary Committee of the Senate, which combines a limitation on the appellate jurisdiction of the Supreme Court and a threat to the independence of the judiciary with substantive changes of far-reaching significance which should be considered independently of each other and only after adequate public hearings at which the organized bar and others interested can be heard. This action does not constitute approval or disapproval of the substantive changes proposed by sections 3 and 4; be it further

# Digest of CONGRESSIONAL PROCEEDINGS
## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 4, 1958
For actions of June 3, 1958
85th-2d, No. 88


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HIGHLIGHTS: Senate committee reported omnibus transportation bill. Senate debated mutual security bill. Sen. Humphrey discussed farm prices. House subcommittee ordered reported proposals for dairy program and to make various amendments regarding ASC committees. Sen. Wiley introduced and discussed bill to authorize HEW to aid States in administration of surplus food program.

## SENATE

1. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendments S. 3778, to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system (S. Rept. 1647). pp. 8929-30

   Sen. Smathers and others spoke in favor of repeal of the transportation tax. pp. 8941-50

2. FOREIGN AID. Continued debate on H. R. 12181, the mutual security authorization bill. pp. 8931, 8934, 8941, 8950-7, 8961

3. FARM PRICES. Sen. Humphrey analyzed current farm prices and stated that they compare unfavorably with the 1952 level. p. 8938

4. PROPERTY; INSPECTION SERVICE. The Government Operations Committee ordered reported S. 3142, to extend authority to lease out Federal building sites until needed for construction purposes; S. 3873, to amend Sec. 201 of the Federal Property and Administrative Services Act so as to authorize the interchange of inspection services between executive agencies; and H. J. Res. 427, to grant to Kerr County, Tex., the Federal reversionary interest in a tract which had been made available for 4-H club use. p. D491

5. ALASKA STATEHOOD. Sen. Allott inserted a speech by Secretary Seaton favoring Alaska statehood. pp. 8938-40

   Sen. Neuberger inserted a letter from the Wildlife Management Institute favoring protection of Alaska wildlife resources in connection with statehood

and a St. Louis Post-Dispatch editorial favoring Alaska statehood. pp. 8960-1

6. ELECTRIFICATION. Sen. Dworshak inserted a newspaper article to clarify the position of Oregon Republicans regarding hydroelectric power resources. p. 8937

HOUSE

7. DAIRY INDUSTRY. The Dairy Subcommittee ordered reported to the Agriculture Committee a draft of proposed legislation on dairy products for inclusion in an omnibus farm bill. p. D492

8. ASC COMMITTEES. A subcommittee ordered reported to the Agriculture Committee wit amendments H. R. 12669, to make various amendments to legislation regarding ASC committees. p. D492

9. DEFENSE APPROPRIATION BILL. Began debate on this bill, H. R. 12738. pp. 8981-9019

10. FOREST SERVICE. Received from the Comptroller General an audit report on activities in Regions 3, 4, and 8 of the Forest Service for June 1957. p. 9030

11. FOREIGN TRADE. Rep. Beamer urged Congress to reassert itself and restore its former position in formulating foreign trade policies. p. 8974
Rep. Bailey inserted a legal firm's statement that it would be constitutional to provide for congressional review of Presidential actions on escape-clause recommendations under the Trade Agreements Act. p. 9020

12. WATER CONSERVATION. Rep. Bow commended the Muskingum Watershed Conservancy District. pp. 9019-20

ITEMS IN APPENDIX

13. WILDERNESS AREAS. Sen. Humphrey inserted excerpts from an address by the N. Y. Commissioner of Conservation favoring protection of wilderness areas. pp. A5031-2

14. FOREIGN AID. Extension of remarks of Sen. Hickenlooper including an article, "Foreign Aid Vital to United States Security." pp. A5033-4

15. ACREAGE ALLOTMENTS. Rep. Hemphill inserted an editorial stating that farm production controls may not be needed by 1975. p. A5041

16. FOREIGN TRADE. Rep. Porter inserted his speech favoring continuation of the Trade Agreements Act and discussing plywood imports. pp. A5045-7

17. ORANGE PRICES. Extension of remarks of Rep. Vanik stating that increases in orange-juice prices are unjustified and including an article on this matter. p. A5054

BILLS INTRODUCED

18. SURPLUS FOODS. S. 3930, by Sen. Wiley, to amend section 416 of the Agricultural Act of 1949, as amended; to Agriculture and Forestry Committee. Remarks of author. p. 8930

19. EDUCATION. S. 3932, by Sen. Yarborough, to provide for Federal assistance for the construction and expansion of public community junior colleges; to Labor and Welfare Committee. Remarks of author. p. 8961

The Appropriations Committee ordered reported with amendments H. R. 2428, the State, Justice, Judiciary appropriation bill for 1959. p. D514

H. R. 12540, the Commerce Department appropriation bill for 1959, was made the unfinished business. p. 9460

12. WILDLIFE. Passed with amendments S. 2617, to authorize the purchase by the Secretary of the Interior of wetlands and small areas for migratory bird sanctuaries from funds collected from the sale of Migratory Bird hunting stamps (at $3.00 instead of $2.00); and allows the opening of up to forty percent of the lands to hunting. Adopted the committee amendments and an amendment by Sen. Carlson to allow the Post Office all expenses in connection with the sale of Duck Stamps and not merely direct expenditures. pp. 9405-8

13. SMALL BUSINESS. Passed with amendments S. 3651, to make equity capital and long-term credit more readily available for small-business concerns. pp. 9432-60

14. PROPERTY. The Government Operations Committee reported with amendments S. 3142, to authorize the lease of Federal building sites until needed for actual construction (S. Rept. 1682). p. 9392

15. INSPECTION. The Government Operations Committee reported without amendment S. 3873, to authorize the interchange of inspection services between agencies (S. Rept. 1681). p. 9392

16. EDUCATIONAL EXCHANGE. Sen. Javits inserted the latest progress report on the cultural, technical, and educational exchange program, including six U. S. agricultural delegations scheduled to visit Russia before the end of 1958, with six Russian delegations to visit here. pp. 9461-2

17. TIMBER. Sen. Neuberger inserted two articles on the projected timber situation, one based on Forest Service studies which concluded a timber shortage would come about by the year 2000, and one based on timber industry statements that reforestation was staying ahead of use, and that more timber will be grown than will be cut every year through the year 2000. pp. 9462-4

18. WHEAT. Sen. Humphrey inserted a resolution from the Benner, Minn., Farmers' Union local, urging wheat producers to vote for price supports and marketing quotas on the 1959 wheat crop. p. 9392

19. LEGISLATIVE PROGRAM. Sen. Johnson announced that H. R. 7953, to simplify the work of the Forest Service, and H. R. 5497, to authorize Federal aid for certain fish and wildlife development projects under the Watershed Protection and Flood Prevention Act, were programmed for early consideration, with several appropriation bills to be considered when they have gained clearance. p. 9391

ITEMS IN APPENDIX

20. FOREIGN AID. Extension of remarks of Sen. Humphrey criticizing the administration's "retreat" on the Battle Act amendment during consideration of the mutual security bill, and inserting 2 editorials on this subject. pp. A5206-7

21. RESEARCH. Extension of remarks of Sen. Wiley describing increased achievements due to the availability of high-speed electronic computers. pp. A5207-9

22. ECONOMIC SITUATION. Extension of remarks of Sen. Proxmire discussing the present recession and inserting articles describing the costs, some of which are "forever lost." pp. A5212-3
Rep. Roosevelt inserted a report of the Conference on Economic Progress, "Recession, Cause and Cure." pp. A5259-60

23. FOREIGN TRADE. Various insertions favoring and opposing the proposed extension of the Trade Agreements Act. pp. A5215-8, A5224-5, A5228-9, A5238-40, A5254

24. MEATS. Extension of remarks of Rep. Arends commending the designation of July as National Hot Dog Month. p. A5242
Extension of remarks of Rep. Miller, Nebr., discussing the value of meat in the human diet, and favoring legislation to provide a check-off system on livestock sales for meat research and promotion. pp. A5244-45

25. CITRUS PRICES. Extension of remarks of Rep. Haley defending the Fla. Citrus Commission against charges that it "has been used to effectively rig prices of Florida orange juice," and inserting a statement of the general manager of the Commission and a newspaper editorial on the matter. pp. A5242-43

26. MILK. Sen. Thye inserted a newspaper editorial, "For Milk Barriers," discussing "Federal and State milk barriers that exclude Midwest milk, cream, or their products from the eastern and southern markets." p. A5228

27. FOOD ADDITIVES. Rep. McCormack inserted a letter from the director of the Division of Food and Drugs, Mass., opposing legislation which would amend the Food and Drug Act to exempt pesticide chemicals when used in or on any raw agricultural commodity which is the produce of the soil. p. A5238

## BILLS INTRODUCED

28. FARM PROGRAM. S. 3963, by Sen. Talmadge, and H. R. 12845, by Rep. Colmer, to provide a new farm program for basic agricultural commodities under which excessive and burdensome Federal controls on agriculture will be eliminated, and under which American agriculture will be restored to a free enterprise basis; to Agriculture and Forestry Committee and Agriculture Committee. Remarks of Sen. Talmadge. pp. 9394-6
H. R. 12840, by Rep. Ashley, "to amend the Agricultural Adjustment Act of 1938"; to Agriculture Committee.

29. FARM PROGRAM; PUBLIC LAW 480. H. R. 12860, by Rep. Cooley, to extend and amend the Agricultural Trade Development and Assistance Act of 1954; to amend the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 with respect to acreage allotment and price support programs for rice, cotton, wool, wheat, milk, and feed grains; to Agriculture Committee.

30. AWARDS. S. 3968, by Sen. Humphrey, to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement; to Labor and Public Welfare Committee. Remarks of author. pp. 9396-9403

31. PEANUTS. H. R. 12842, by Rep. Burleson, to amend the peanut price-support provisions of the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949; to Agriculture Committee.

32. TRANSPORTATION. H. R. 12843, by Rep. Church, to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system; to Interstate and Foreign Commerce Committee.

Calendar No. 1712

85TH CONGRESS, 2d Session | SENATE | REPORT No. 1681

# AMENDING SECTION 201 OF THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, AS AMENDED, TO AUTHORIZE THE INTERCHANGE OF INSPECTION SERVICES BETWEEN EXECUTIVE AGENCIES, AND THE FURNISHING OF SUCH SERVICES BY ONE EXECUTIVE AGENCY TO ANOTHER, WITHOUT REIMBURSEMENT OR TRANSFER OF FUNDS

JUNE 9, 1958.—Ordered to be printed

Mr. MCCLELLAN, from the Committee on Government Operations, submitted the following

## REPORT

[To accompany S. 3873]

The Committee on Government Operations, to whom was referred the bill (S. 3873) to amend section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds, having considered the same, report favorably thereon without amendment, and recommend that the bill do pass.

### PURPOSE

The purpose of this bill is to authorize the interchange of inspection services between executive agencies and the furnishing of such services by one executive agency to another without reimbursement or transfer of funds. Enactment of this bill will eliminate the requirement for monetary reimbursement for inspection services rendered by one executive agency to another, and to authorize administrative procedures whereby one executive agency may exchange its inspection services with those of other agencies on a reimbursement-in-kind basis, and, under certain conditions, waive reimbursement for such services furnished to another agency.

The Administrator of General Services informed the committee in executive session that the bill will promote economy and efficiency in the vast procurement work of the Government by dispensing with the

present extensive billing, cross billing, and reimbursement procedures attendant upon agencies furnishing their inspection services to other agencies, as well as in manpower and travel costs.

S. 3873 was introduced in the Senate by the chairman of the Committee on Government Operations at the request of the Administrator of General Services. The committee has been informed that the bill was screened by the Bureau of the Budget with the principal agencies affected before submission to the Senate, and that it has been approved by the Department of Defense, Department of Agriculture, Department of Commerce, Bureau of the Budget, and the General Accounting Office.

## BACKGROUND

Section 201 (a) of the Federal Property and Administrative Services Act of 1949 imposes the responsibility on the Administrator of General Services, in respect of executive agencies and to the extent that he determines that in so doing it would be advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned, to prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including, among others, the related function of inspection. However, as regards the furnishing of inspection services by one executive agency to another, without reimbursement or transfer of funds, the General Services Administration encounters section 3678 of the Revised Statutes (31 U. S. C. 628), which reads as follows:

> Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others.

The Department of Defense has taken the view that expenditure of appropriated funds are permissible only for those purposes for which the appropriations were made, as provided by the above cited section, and that legislative action therefore appears necessary for the exchange of inspection services between GSA and the Department of Defense when reimbursement funds are not provided in the arrangement between them. Under this view, the Department of Defense, for example, having inspectors regularly stationed at a certain manufacturing plant supplying the Department, cannot make their services available to GSA for inspection of supplies which that plant may furnish to GSA unless the Department is reimbursed by GSA for the value of the inspection work done by the Department. The Administrator of General Services therefore recommends that the consequent burden of cross billing and paperwork should, from the point of efficient business procedure, be removed.

The proposed bill, by the addition of a new subsection (d) to section 201 of the Federal Property and Administrative Services Act of 1949, would alleviate this situation. Should the measure be enacted, the Administrator of General Services, utilizing his authority under section 201 (a) of the act with respect to inspection and his authority under section 205 (c) of the act to prescribe regulations necessary to effectuate his functions under the act, would be in a position to provide by regulation, with the consent of the agencies concerned, the following changes in procedure:

(1) Agencies may exchange inspection and testing services in the interest of overall economy on a reimbursement-in-kind basis, without cross billing or monetary reimbursement;

(2) When inspection and testing services performed by one agency for another result in time or other expenditure aggregating less than a limited dollar amount on a single contract or order, no charge need be made for the services (the Administrator, in requesting legislative action to the Senate and in executive session, suggested a maximum of $100);

(3) Agencies may perform inspection and testing services of any value without reimbursement where resident or itinerant services are immediately available in a manufacturing plant or nearby, and where personnel increases are not necessitated by the additional work.

Any such regulations issued by the Administrator would not, of course, affect the authority of agencies to make and receive reimbursement for inspection and testing services in appropriate cases, such as those where the volume of inspecting work is extensive, or would require the inspecting agency to augment its staff.

The proposal embodied in this bill finds a precedent in a comparatively recent enactment applicable only to the departments and organizations within the Department of Defense. The committee is informed that experience under this act has demonstrated that this procedure is both businesslike and economical. Section 621 of the National Military Establishment Appropriation Act, 1950 (63 Stat. 987, 1020, now codified in 10 U. S. C. 257), includes the provision that, if its head approves, a department or organization within the Department of Defense may, upon request, perform work and services for, or furnish supplies to any other of those departments or organizations without reimbursement or transfer of funds. The administrative implementation of this statutory authority (Department of Defense Directive No. 7230.1 of May 19, 1953) recognized that the processing of numerous small dollar value vouchers for reimbursement for interagency transactions results in unnecessary expense and uneconomical use of manpower, and required that (subject to certain exceptions) each military department shall therefore waive collection of reimbursements for interagency transactions where the amount involved is less than $100.

## AGENCY COMMENTS

The following communications have been received by the committee from the General Services Administration and the Bureau of the Budget in support of this bill:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
*Washington, D. C., May 27, 1958.*

Hon. JOHN L. MCCLELLAN,
*Chairman, Committee on Government Operations,*
*United States Senate, Washington, D. C.*

MY DEAR MR. CHAIRMAN: This is in response to your letter of May 22, 1958, requesting our views on S. 3873, a bill to amend section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one

executive agency to another, without reimbursement or transfer of funds.

S. 3873 would authorize the Administrator of General Services to prescribe policies and issue regulations providing for the interchange of material inspection services among Federal agencies without reimbursement in cases where such agencies agree or consent to perform such inspection services for other agencies.

There appears to be adequate justification for legislation which will facilitate effective mutual cross-servicing inspection arrangements between agencies. Such arrangements should tend to minimize duplication of inspection services and reduce costs incident to cross billing for services rendered.

The Bureau of the Budget favors enactment of legislation as covered by S. 3873.

Sincerely yours,

PHILLIP S. HUGHES,
*Assistant Director for Legislative Reference.*

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GENERAL SERVICES ADMINISTRATION,
*Washington, D. C., April 9, 1958.*

Hon. RICHARD M. NIXON,
*President of the Senate,*
*Washington, D. C.*

MY DEAR MR. PRESIDENT: There is enclosed for your consideration a draft of a bill to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another without reimbursement or transfer of funds.

The purpose of this legislative proposal is to eliminate the requirement for monetary reimbursement for inspection services rendered by one executive agency to another, and to authorize administrative procedures whereby one executive agency may exchange its inspection services with those of other agencies on a reimbursement-in-kind basis, and, under certain conditions, waive reimbursement for such services furnished to another agency. Enactment of the proposed bill will promote economy and efficiency in the vast procurement work of the Government by dispensing with the present extensive billing, cross billing, and reimbursement procedures attendant upon agencies furnishing their inspection services to other agencies.

Where executive agency A, by reason of the large amount of its procurement from a particular supplier's plant, maintains inspectors there or has them readily available from a nearby office of the agency, it is only good business practice for agency B, when it procures from that plant, to utilize the already available inspection services of agency A, rather than to furnish additional inspectors of its own.

Thus, many military inspection activities maintain resident inspectors, and also make inspection service available on an itinerant basis by groups of military material inspectors stationed in the area, in plants where GSA contracts are being placed. This work is performed for GSA and other agencies on a reimbursable or transfer of funds basis, with attendant cross billing involving heavy administra-

tive costs. Conversely, over half of GSA's purchases are for delivery to military activities, and GSA (in some instances by the use of its own inspectors regularly stationed in plants) performs the inspection for the items delivered to the military. The cross billing by one agency to another for the inspection services rendered by the former agency leads into a maze of administrative and fiscal accounting costs, the elimination of which is sought by the proposal embodied in the enclosed bill. The overall interests of the Government will best be served by the interchange of inspection services with a minimum of accountability and exchange of funds.

Section 201 (a) of the Federal Property and Administrative Services Act of 1949 imposes the responsibility on the Administrator of General Services, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned, to prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including, among others, the related function of inspection. However, as regards the furnishing of inspection services by one executive agency to another, without reimbursement or transfer of funds, we encounter section 3678 of the Revised Statutes (31 U. S. C. 628), which reads as follows: "Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others."

The Department of Defense has taken the view that expenditures of appropriated funds are permissible only for those purposes for which the appropriations were made, and that legislative action therefore appears necessary for the exchange of inspection services between GSA and the Department of Defense when reimbursement funds are not provided in the arrangement between them. Under this view, the Department of Defense, for example, having inspectors regularly stationed at a certain manufacturing plant supplying the Department, cannot make their services available to GSA for inspection of supplies which that plant may furnish to GSA unless the Department is reimbursed by GSA for the value of the inspection work done by the Department for GSA. The consequent burden of cross billing and paperwork should, from the point of view of efficient business procedure, be removed.

The proposed bill, by the addition of a new subsection (d) to section 201 of the Federal Property and Administrative Services Act of 1949, would alleviate this situation. Should the measure be enacted, the Administrator of General Services, utilizing his authority under section 201 (a) of the act with respect to inspection, and his authority under section 205 (c) of the act to prescribe regulations necessary to effectuate his functions under the act, would be in a position to provide by regulation that, with the consent of the agencies concerned:

(1) Agencies may exchange inspection and testing services in the interest of overall economy on a reimbursement-in-kind basis, without cross billing or monetary reimbursement;

(2) When inspection and testing services performed by one agency for another result in time or other expenditure aggregating less than a limited dollar amount (for example, $100) on a single contract or order, no charge need be made for the services; and

(3) Agencies may perform inspection and testing services of any value without reimbursement where resident or itinerant services are immediately available in a manufacturing plant or nearby, and where personnel increases are not necessitated by the additional work.

Any such regulations issued by the Administrator would not, of course, affect the authority of agencies to make and receive reimbursement for inspection and testing services in appropriate cases, such as those where the volume of inspecting work is extensive, or would require the inspecting agency to augment its staff.

The proposal embodied in the enclosed bill finds a precedent in a comparatively recent enactment applicable only to the departments and organizations within the Department of Defense, which we are informed has proven itself in operation to be both businesslike and economical. Section 621 of the National Military Establishment Appropriation Act, 1950 (63 Stat. 987, 1020, now codified in 10 U. S. C. 2571), includes the provision that, if its head approves, a department or organization within the Department of Defense may, upon request, perform work and services for, or furnish supplies to any other of those departments or organizations without reimbursement or transfer of funds. The administrative implementation of this statutory authority (Department of Defense Directive No. 7230.1 of May 19, 1953) recognized that the processing of numerous small dollar value vouchers for reimbursement for interagency transactions results in unnecessary expense and uneconomical use of manpower, and required that (subject to certain exceptions) each military department shall therefore waive collection of reimbursements for inter-agency and intra-agency transactions where the amount involved is less than $100.

We are informed that surveys conducted by the Army and the Navy some time ago indicated that the cost of originating and processing cross billing on a standard form 1080 (voucher for transfers between appropriations and/or funds) in a single instance ranged from $50 to $100. During the past few years, however, the Department of Defense and its military departments have practically eliminated overlapping and duplication of material inspection in over 30,000 manufacturing plants furnishing materials and equipment to the departments. In these plants a single military inspection activity performs inspection of all materials and equipment procurement for all the Armed Forces. The 14 military inspection activities of the Department of Defense (7 Army, 6 Navy, and 1 Air Force) perform inspection interchange for each other on a reimbursement-in-kind basis. There is no requirement that records be maintained to establish an equitable basis for the amount of reimbursement in kind. Thus cross billing, with its attendant high administrative costs, is eliminated.

The extension throughout the Government of uniform, adequate, and businesslike interchange of procurement inspection, testing, and acceptance services, as proposed by the enclosed bill, would encourage more effective utilization of personnel on a governmentwide basis. It would also promote the economy and efficiency sought to be attained by the Congress when it enacted the Federal Property and Administrative Services Act of 1949. Although no data are available as to the number of cross billings and transfers of funds that would be

eliminated by enactment of the bill, it is obvious that dispensing with extensive paperwork and attendant financial accounting for individually small sums will achieve savings.

For these reasons, GSA recommends early enactment of the proposed bill.

The Bureau of the Budget has advised that there is no objection to the submission of this legislative proposal to the Congress.

Sincerely yours,

FRANKLIN FLOETE, *Administrator.*

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

## TITLE II—PROPERTY MANAGEMENT

PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

SEC. 201. (a) The Administrator shall, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned—

(1) prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public utility services, and repairing and converting; and

(2) operate, and, after consultation with the executive agencies affected, consolidate, take over, or arrange for the operation by any executive agency of warehouses, supply centers, repair shops, fuel yards, and other similar facilities; and

(3) procure and supply personal property and nonpersonal services for the use of executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply such as those mentioned above in subparagraph (1): *Provided,* That contracts for public utility services may be made for periods not exceeding ten years; and

(4) with respect to transportation and other public utility services for the use of executive agencies, represent such agencies in negotiations with carriers and other public utilities and in proceedings involving carriers or other public utilities before Federal and State regulatory bodies;

*Provided,* That the Secretary of Defense may from time to time, and unless the President shall otherwise direct, exempt the National Military Establishment from action taken or which may be taken by the Administrator under clauses (1), (2), (3), and (4) above whenever he determines such exemption to be in the best interests of national security.

(b) The Administrator shall as far as practicable provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, upon its request.

(c) In acquiring personal property, any executive agency, under regulations to be prescribed by the Administrator, may exchange or sell similar items and may apply the exchange allowance or proceeds of sale in such cases in whole or in part payment for the property acquired: *Provided*, That any transaction carried out under the authority of this subsection shall be evidenced in writing.

*(d) In conformity with policies prescribed by the Administrator under subsection (a), any executive agency may utilize the services, work, materials, and equipment of any other executive agency, with the consent of such other executive agency, for the inspection of personal property incident to the procurement thereof, and notwithstanding section 3678 of the Revised Statutes (31 U. S. C. 628) or any other provision of law such other executive agency may furnish such services, work, materials, and equipment for that purpose without reimbursement or transfer of funds.*

○

Calendar No. 1712

85TH CONGRESS
2D SESSION

# S. 3873

[Report No. 1681]

IN THE SENATE OF THE UNITED STATES

MAY 21, 1958

Mr. MCCLELLAN (by request) introduced the following bill; which was read twice and referred to the Committee on Government Operations

JUNE 9, 1958

Reported by Mr. MCCLELLAN, without amendment

# A BILL

To amend section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 201 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377, as amended; 40 U. S. C. 481) is amended by adding at the end thereof the following new subsection:

"(d) In conformity with policies prescribed by the Administrator under subsection (a), any executive agency

may utilize the services, work, materials, and equipment of any other executive agency, with the consent of such other executive agency, for the inspection of personal property incident to the procurement thereof, and notwithstanding section 3678 of the Revised Statutes (31 U. S. C. 628) or any other provision of law such other executive agency may furnish such services, work, materials, and equipment for that purpose without reimbursement or transfer of funds."

S. 3873

A BILL

Calendar No. 1712

85TH CONGRESS
2D SESSION

# S. 3873

[Report No. 1681]

# A BILL

To amend section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds.

By Mr. McCLELLAN

MAY 21, 1958

Read twice and referred to the Committee on Government Operations

JUNE 9, 1958

Reported without amendment

11. COTTON. Passed without amendment H. R. 11399, to authorize the Secretary to set the levels of price support for extra long-staple cotton at between 60 to 75 percent of parity. This bill will now be sent to the President. p. 10765

12. DEFENSE PRODUCTION. Passed without amendment H. R. 10969 (in place of a similar bill S. 3323), to extend the Defense Production Act for 2 years until June 30, 1960. This bill will now be sent to the President. pp. 10773-4

13. LIVESTOCK LOANS. Passed as reported H. R. 11424, to extend for 2 years, through July 14, 1961, the authority of the Secretary to extend or make supplementary advances to borrowers for special livestock loans. p. 10780

14. TOBACCO. Passed without amendment H. R. 11058, to reduce the acreage allotments of tobacco farmers who harvest more than one crop of tobacco in a year from the same acreage. This bill will now be sent to the President. p. 10780

15. NATURAL RESOURCES. Passed as reported S. 2517, to authorize the States to choose mineral lands in making selections in lieu of sections of public lands occupied before State claims were made. pp. 10781-3

16. SURPLUS FOODS. Passed without amendment H. R. 12164, to permit the donation of surplus foods to nonprofit summer camps for children without regard to the number of needy children actually enrolled. This bill will now be sent to the President. p. 10780

17. INSPECTION SERVICES. Passed without amendment S. 3873, to authorize the interchange of inspection services between executive agencies without reimbursement or transfer of funds. p. 10769

18. PROPERTY. Passed as reported S. 3142, to authorize the lease of Federal building sites until needed for actual construction. p. 10769

19. TRANSPORTATION. Passed as reported S. Res 303, to provide for a study of transportation policies in the United States by the Interstate and Foreign Commerce Committee, including the exemption provisions in the laws regulating transportation. p. 10773

20. MONOPOLIES. The Judiciary Committee ordered reported with amendment S. 11, to amend the Robinson-Patman Act to make price discrimination prima facie proof of violation of the law. p. D578

21. STATEHOOD. Began debate on H. R. 7999, to admit Alaska as a State. pp. 10766, 10786, 10803, 10804, 10804-10.

22. INFORMATION. At the request of Sen. Talmadge, passed over S. 921, to restrict the right of Federal officers to withhold information or records. p. 10765.

23. WATERSHEDS. At the request of Sen. Hruska, passed over H. R. 5497, to authorize Federal assistance for certain fish and wildlife development projects under the Watershed Protection and Flood Prevention Act. p. 10765

24. ONION FUTURES. At the request of Sen. Hruska, passed over H. R. 376, to prohibit trading in onion futures on commodity exchanges. p. 10765

25. FARMER COMMITTEES. At the request of Sen. Talmadge, passed over S. 1436, to amend various provisions of law regarding ASC committees, to provide for the administration of the farm program by farmer elected committees, etc. p. 10766

26. BUILDINGS. At the request of Sen. Hruska, passed over S. 3560, to authorize construction of a $20 million Federal building in Memphis, Tenn. p. 10766

27. TEXTILES. At the request of Sen. Talmadge, passed over H. R. 469, to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products. pp. 10766-7

28. MINERALS. At the request of Sen. Mansfield, passed over S. 3817, to encourage exploration for minerals with Federal aid. p. 10769

29. TRANSPORTATION. At the request of Sens. Talmadge and Hruska, passed over S. 3916, to extend for two years provisions of the Shipping Act of 1916 to allow continuation of existing dual-rate contract agreements. p. 10774

30. SMALL BUSINESS. At the request of Sen. Clark, passed over H. R. 7963, to extend the Small Business Act of 1953, and increase the SBA loan authority. p. 10775

31. REORGANIZATION. At the request of Sen. Talmadge, passed over S. Res. 297, to disapprove Reorganization Plan No. 1 of 1958, to merge the Office of Defense Mobilization and the Federal Civil Defense Administration. p. 10776
Sen. Potter commended the adverse report of the Government Operations Committee on S. Res. 297, and the evaluation of the proposed merger. p. 10802

32. HUMANE SLAUGHTER. At the request of Sen. Talmadge, passed over H. R. 8308, to require the use of humane methods in the slaughter of livestock and poultry. p. 10780

33. FOREIGN TRADE. Sen. Thurmond submitted amendments to H. R. 12591, the trade agreements extension bill, proposing to limit the extension to 2 years and to require Congressional assent to Presidential action reversing findings of the Tariff Commission. p. 10804

34. EXTENSION. Sen. Johnston inserted an editorial on the death of Dr. F. Franklin Poole, President of Clemson College, S. C. pp. 10783-4

35. RECLAMATION. Received from the Interior Department a report that the Bountiful, Utah, Water Subconservancy District, had applied for a loan of $3,510,000, under the Small Reclamation Projects Act. p. 10747

ITEMS IN APPENDIX

36. FOREIGN AID. Rep. Green inserted an article, "Over $63 Million in Foreign Aid Shared by Eight Oregon Communities." pp. A5696-7

37. COTTON. Extension of remarks of Sen. Sparkman urging aid for cotton farmers and inserting an article, "Cotton's Decline, Long Foreseen, Still Pains Many Dixie Farmers--Some Quit, Wind Up On City Relief Rolls; Others Find Pinch Profits Harder." pp. A5697-8

38. DAIRY INDUSTRY. Extension of remarks of Sen. Proxmire inserting 2 Grange organization resolutions in support of his bill, S. 2952. p. A5698

provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Hsiu-Kwang Wu and Hsiu-Huang Wu."

## BILL PASSED OVER

The bill (S. 3141) to authorize acquisition by the Administrator of General Services of certain land improvements thereon located within the area of New York Avenue and F Streets and 17th and 18th Streets NW., in the District of Columbia, was announced as next in order.

Mr. KNOWLAND. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

## PAYMENT IN LIEU OF TAXES WITH RESPECT TO CERTAIN REAL PROPERTY

The bill (S. 3677) to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That (a) section 703 of the Federal Property and Administrative Services Act of 1949 (69 Stat. 722) is amended by striking out the figures "1959", and inserting in lieu thereof the figures "1961."

(b) Section 704 of such act (69 Stat. 723) is amended by striking out the figures "1958", and inserting in lieu thereof the figures "1960."

## INTERCHANGE OF INSPECTION SERVICES BETWEEN EXECUTIVE AGENCIES

The bill (S. 3873) to amend section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That section 201 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377, as amended; 40 U. S. C. 481) is amended by adding at the end thereof the following new subsection:

"(d) In conformity with policies prescribed by the Administrator under subsection (a), any executive agency may utilize the services, work, materials, and equipment of any other executive agency, with the consent of such other executive agency, for the inspection of personal property incident to the procurement thereof, and notwithstanding section 3678 of the Revised Statutes (31 U. S. C. 628) or any other provision of law such other executive agency may furnish such services, work, materials, and equipment for that purpose without reimbursement or transfer of funds."

## EXTENSION OF AUTHORITY TO LEASE OUT FEDERAL BUILDING SITES

The Senate proceeded to consider the bill (S. 3142) to amend the Federal Property and Administrative Services Act of 1949 to extend the authority to lease out Federal building sites until needed for construction purposes and the act of June 24, 1948 (62 Stat. 644), and for other purposes, which had been reported from the Committee on Government Operations with an amendment on page 3, line 9, after the word "improvement," to insert "with respect to Federal building sites authorized to be leased pursuant to section 210 (a) of this act.", so as to make the bill read:

*Be it enacted, etc.*, That section 210 (a) of the Federal Property and Administrative Services Act of 1949, as amended (40 U. S. C. 490 (a)), is further amended by—

(1) striking out, in paragraph (11), the word "and";

(2) striking out the period at the end of paragraph (12), and inserting in lieu thereof a semicolon and the word "and"; and

(3) adding at the end thereof the following new paragraph:

"(13) to enter into leases of Federal building sites and additions to sites, including improvements thereon, until they are needed for construction purposes, at their fair rental value and upon such other terms and conditions as the Administrator deems in the public interest pursuant to the provisions of section 203 (e) hereof. Such leases may be negotiated without public advertising for bids if the lessee is the former owner from whom the property was acquired by the United States of his tenant in possession, and the lease is negotiated incident to or in connection with the acquisition of the property. Rentals received under leases executed pursuant to this paragraph may be deposited into the Buildings Management Fund established by subsection (f) of this section."

SEC. 2. The act of June 24, 1948, ch. 626 (62 Stat. 644) is amended by deleting the last sentence thereof in its entirety, and substituting in lieu thereof the following: "The rentals received pursuant to this act may be deposited in the Buildings Management Fund, established pursuant to section 210 (f) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended."

SEC. 3. Section 210 (f) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, is further amended by—

(1) inserting in the first sentence thereof, immediately after the words "buildings management operations and related services," the words ", including demolition and improvement with respect to Federal building sites authorized to be leased pursuant to section 210 (a) of this act."; and

(2) deleting from the third proviso thereof the words "shall not be available for expenses of carrying out the provisions of the act of June 24, 1948 (62 Stat. 644), or section 5 of the act of May 25, 1926, as amended (40 U. S. C. 345), and shall not be credited with receipts from operations under said provisions of law, or," and inserting in lieu thereof the words "shall not be credited."

SEC. 4. The third paragraph of section 5 of the Public Buildings Act of 1926 (44 Stat. 630), as amended by section 402 of the Public Buildings Act of 1949 (63 Stat. 198; 40 U. S. C. 345) is hereby repealed.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## BILL PASSED OVER

The bill (S. 3817) to provide a program for the development of the mineral resources of the United States, its Territories, and Possessions by encouraging exploration for minerals, and for other purposes, was announced as next in order.

Mr. HRUSKA. Mr. President, is not this bill the unfinished business?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. Mr. President, the bill is the unfinished business; and I wish to have it go over.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

## PRINTING OF ADDITIONAL COPIES OF HEARING ON SALINE WATER CONVERSION

The resolution (S. Res. 310) authorizing the printing of additional copies of the hearing on saline water conversion was considered and agreed to, as follows:

*Resolved*, That there be printed for the use of the Senate Committee on Interior and Insular Affairs 1,000 additional copies of the hearing held by that committee during the current session entitled "Saline Water Conversion."

## WITHHOLDING OF CERTAIN AMOUNTS DUE EMPLOYEES OF THE HOUSE OF REPRESENTATIVES

The bill (H. R. 12521) to authorize the Clerk of the House of Representatives to withhold certain amounts due employees of the House of Representatives was considered, ordered to a third reading, read the third time, and passed.

## DOROTHY L. TRAVIS JONES

The resolution (S. Res. 313) to pay a gratuity to Dorothy L. Travis Jones was considered and agreed to, as follows:

*Resolved*, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Dorothy L. Travis Jones, wife of Lloyd W. Jones, an employee of the Senate at the time of his death, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

## CONSTRUCTION OF BUILDING FOR NATIONAL AIR MUSEUM—BILL PASSED OVER

The bill (S. 1985) to authorize the preparation of plans and specifications for the construction of a building for a National Air Museum for the Smithsonian Institution and all other work incidental thereto was announced as next in order.

85TH CONGRESS
2D SESSION

# S. 3873

IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 1958

Referred to the Committee on Government Operations

# AN ACT

To amend section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 201 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377, as amended; 40 U. S. C. 481) is amended by adding at the end thereof the following new subsection:

"(d) In conformity with policies prescribed by the Administrator under subsection (a), any executive agency

may utilize the services, work, materials, and equipment of any other executive agency, with the consent of such other executive agency, for the inspection of personal property incident to the procurement thereof, and notwithstanding section 3678 of the Revised Statutes (31 U. S. C. 628) or any other provision of law such other executive agency may furnish such services, work, materials, and equipment for that purpose without reimbursement or transfer of funds."

Passed the Senate June 23, 1958.

Attest: FELTON M. JOHNSTON,

*Secretary.*

85TH CONGRESS
2D SESSION

# S. 3873

## AN ACT

To amend section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds.

JUNE 24, 1958
Referred to the Committee on Government Operations

# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 10, 1958
For actions of July 9, 1958
85th-2d, No. 114

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HIGHLIGHTS: Senate passed public works appropriation bill.

SENATE

1. COOPERATIVES. The Agriculture and Forestry Committee reported with amendments S. 2444, to authorize producers' cooperatives to bargain with purchasers singly or in groups (S. Rept. 1810). p. 11967

2. APPROPRIATIONS. Passed with amendments H. R. 12858, the civil functions appropriations bill for the Army Corps of Engineers, certain agencies of the Interior Department, and TVA, for 1959. pp. 11990-12008

3. EXPENDITURES; PERSONNEL. Sen. Byrd submitted the report of the Joint Committee on Reduction of Nonessential Federal Expenditures on Federal employment and pay for May 1958. pp. 11968-71

4. STATEHOOD. Sen. Bible commended the passage of the Alaska statehood bill and Sen. Monroney concurred. pp. 11979-80

5. ECONOMIC SITUATION. Sen. Potter inserted the speeches of the President, Ralph Cordiner of GE, and Thomas McCabe of Scott Paper Co., at the economic mobilization conference on the economic situation and efforts made to accelerate the upturn in the economy. pp. 11980-5

HOUSE

6. RESEARCH; LANDS; TOBACCO. The Agriculture Committee reported the following bills: (p. 12086)
   S. 3076, without amendment, to authorize the transportation in the U. S. of live foot-and-mouth disease virus for research purposes (H. Rept. 2126).
   H. R. 6542, without amendment, to authorize the conveyance of certain forest lands to the town of Dayton, Wyo. (H. Rept. 2127).
   H. R. 12840, without amendment, to provide a single acreage allotment for Va. sun-cured and Va. fire-cured tobaccos if farmers vote approval in a referendum (H. Rept. 2128).

7. INFORMATION; LIBRARIES. The House Administration Committee reported without amendment H. R. 13140, to provide for distribution of additional types of Government publications to depository libraries and to provide for designation of additional depository libraries (H. Rept. 2136). p. 12086

8. FISH AND WILDLIFE. The Merchant Marine and Fisheries Committee ordered reported the following bills: (p. D654)
   H. R. 13138, with amendment, to amend the Coordination Act so as to provide more effective integration of fish and wildlife conservation programs with Federal water development programs.
   S. 2617, with amendment, to authorize the purchase by the Secretary of the Interior of wetlands and small areas for migratory bird sanctuaries from funds collected from the sale of Migratory Bird hunting stamps.
   S. 2447, with amendment, to authorize studies by Interior of the effects of insecticides upon fish and wildlife.
   H. R. 10244, with amendment, to reaffirm the national policy regarding fish and wildlife resources.

9. INSPECTION SERVICES. A subcommittee of the Government Operations Committee ordered reported S. 3873, to authorize the interchange of inspection services between executive agencies without reimbursement or transfer of lands. p. D653

10. EDUCATION. Rep. Haskell inserted a letter from the President expressing his support for enactment of "a sound educational bill." p. 12040
    Received from the U. S. Advisory Commission on Educational Exchange a report on the educational exchange activities (H. Doc. 419). p. 12085

11. SMALL BUSINESS. Received the conference report on H. R. 7963, to make the Small Business Administration a permanent agency and to increase the SBA loan authority (H. Rept. 2135). pp. 12041-43

12. MILITARY CONSTRUCTION. Debated H. R. 13015, to authorize construction at military installations, including authorization for financing from the foreign currencies acquired under Public Law 480 or through other commodity transactions of CCC. pp. 12043, 12044-74

13. PERSONNEL. The Rules Committee reported a resolution for consideration of S. 1411, to give agencies discretion in either suspending or retaining on duty a Federal employee prior to security hearings. p. 12043

14. ATOMIC ENERGY. Rep. Bailey spoke in opposition to provisions of the proposed Atomic Energy Commission authorization bill which would accelerate the development of atomic reactors. pp. 12074-77
    The Rules Committee reported a resolution for consideration of H. R. 13121, the Atomic Energy Commission authorization bill. p. 12043

13. INSPECTION SERVICES. The Government Operations Committee ordered reported S. 3873, to permit the interchange of inspection services between executive agencies without reimbursement or transfer of funds. p. D805

14. REPORTS. The Government Operations Committee adopted the following reports (to be released Aug. 11):
"Atomic Shelter Program," "Research and Development (Office of Secretary of Defense)," "Saline Water Program," "False and Misleading Advertising (Weight Reducing Remedies)," "Availability of Information From Federal Departments and Agencies (Progress of Study, February 1957-June 1958)," and "Federal-State Relations (Grants-in-Aid)" (Release date for the last report is Aug. 9). p. D805

15. STATEHOOD. The Interior and Insular Affairs Committee ordered reported, by a vote of 22-4, H. R. 49, to admit Hawaii into the Union as a State. p. D806

16. MINERALS. Received the conference report on S. 2069, to amend the Mineral Leasing Act so as to promote the development of coal on the public domain (H. Rept. 2477). pp. 15042, 15114

17. SMALL BUSINESS. Received the conference report on S. 3651, to make equity capital and long-term credit more readily available for small-business concerns (H. Rept. 2492). pp. 15042-44, 15114

18. LEGISLATIVE PROGRAM. Rep. McCormack announced that after three conference reports (trade agreements extension, Defense Department appropriations, and small business) the only business scheduled for the rest of the week was the educational programs bill. pp. 15052, 15085

SENATE

19. SURPLUS COMMODITIES; FOREIGN TRADE. Sen. Humphrey commended the 8th semi-annual report on Public Law 480 for recognizing that the program would continue for at least the next 5 years and asserted that this supported his earlier requests for a 2-year extension of the program instead of 1-year. He urged the Secretary to work with him for conference committee consideration of the bills passed by both houses on this subject, and stated that passage of S. 4071, the Senate farm bill, by the House, would cause even greater surpluses to be disposed of. pp. 14981-2

20. TOBACCO. Agreed to, as reported by the Agriculture and Forestry Committee, S. Res. 334, to direct the Committee to study tobacco marketing practices pertaining to loose and tied tobacco. pp. 14980-1

21. SURPLUS PROPERTY. Concurred in the House amendments to S. 2572, to modify the procedures for submitting proposed surplus property disposals to the Attorney General. As passed the bill would increase the maximum cost exempted from $1 million to $3 million, excluding scrap or salvage, and alter certain language deemed ambiguous. This bill will now be sent to the President. p. 14966

22. FEDERAL-STATE RELATIONS. The Judiciary Committee reported with amendments S. 337, to establish rules of interpretation governing questions of the effect of acts of Congress on State laws (S. Rept. 2230). pp. 14950-1

23. ACCOUNTING. Received from the Treasury a report of the Bureau of Accounts covering restoration of balances withdrawn from appropriation and fund accounts under the control of Treasury. p. 14950

24. MINERALS. Both Houses received from the Interior Department a proposed bill to amend the Mineral Leasing Act to prevent the undesirable division of oil and gas leaseholds; to the Interior and Insular Affairs Committees. pp. 14950, 15114

25. LEGISLATIVE PROGRAM. S. 666, to remove seed wheat which has been treated with poisonous substances from the "unfit for human consumption" category under Sec. 22 of the Agricultural Adjustment Act amendments of 1935, was made the unfinished business (p. 15035), displacing S. 4162, to provide for the cancellation of certain uncollectible loans and operating losses under Title III of the Defense Production Act (p. D802).

Sen. Mansfield announced that today, Aug. 7, the Senate would consider S. 1436, to provide for the administration of farm programs by farmer-elected committeemen; S. 3858, to authorize the CCC to purchase flour and cornmeal for donation instead of being limited to having such products processed from its own stocks; and S. 4146, to provide incentive payments for the production of certain strategic minerals (p. 15029).

ITEMS IN APPENDIX

26. ELECTRIFICATION. Sen. Kefauver inserted a magazine article and his letter in reply discussing the ruling of the Internal Revenue Service that public utilities could not deduct as business expenses the cost of propaganda against public power. pp. A7047-8

Various insertions describing the importance of completing legislation on the TVA self-financing program. pp. A7043, A7059-60, A7063-4, A7069-10

27. FARM PROGRAM. Sen. Mundt inserted an article, "The Farmer Today," and stated it points out "so splendidly the contrast that is often found in our 'men of the soil.'" p. A7043

28. ECONOMIC SITUATION. Sen. Hoblitzell inserted an editorial, "Recession Lesson--Government Aids Find United States Economy Can Rebound Without Big Federal Hypo." p. A7044

Rep. Wilson inserted an article, "Economy Heading Upward." p. A7066

29. TRADE AGREEMENTS. Sen. Jenner inserted editorials favoring a review of the tariff situation and the tariff policy. pp. A7045-6

30. STATEHOOD. Sen. Langer inserted a N. Dak. Chamber of Commerce resolution favoring statehood for Hawaii. p. A7047

31. FAIR TRADE. Rep. Alger inserted an article and various editorial excerpts opposing the proposed fair-trade legislation. pp. A7052-3, A7066-7

32. PUBLIC DEBT. Speeches in the House by Reps. Beamer and Collier opposing any further increase in the debt limitation. pp. A7053, A7068-9

Rep. Multer stated that the administration's "failure to control inflation is shown by the growth of debt, both public and private," and inserted an editorial on this subject. pp. A7078-9

33. WATER RESOURCES. Rep. Engle inserted a recent speech, "California Water Development Progress and Problems." pp. A7060-2

4. SMALL BUSINESS. Agreed to the conference report on S. 3651, to make equity capital and long-term credit more readily available for small-business concerns. pp. 15182-86

5. APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 12738, the Defense Department appropriation bill for 1959, and acted on amendments in disagreement. This bill will now be sent to the President. pp. 14176-82, 15146-7 (The conferees deleted the requirement for reports on budgetary reserves, but requested that the Budget Bureau arrange for such reports.)

6. IMPORTS. Agreed to the conference report on H. R. 6006, to provide for greater certainty, speed, and efficiency in the enforcement of the Antidumping Act. pp. 15186-87

7. CONTRACTS. Passed as reported H. R. 11749, to extend the Renegotiation Act of 1951 for 6 months, until June 30, 1959. pp. 15188-89

8. EDUCATION. Began debate on H. R. 13247, the national defense education bill, after agreeing, 265 to 108, to a Rules Committee resolution for debate on the bill. pp. 15192-218

9. PERSONNEL. The Post Office and Civil Service Committee reported H. R. 9407, with amendment, to provide additional opportunity for certain employees to obtain career-conditional and career appointments in the competitive service (H. Rept. 2506); and S. 4004, without amendment, to encourage transfers of Federal employees for service with international organizations (H. Rept. 2509). p. 15231

The Foreign Affairs Committee reported with amendment S. 3195, to authorize certain retired Federal personnel to accept and wear decorations, presents, and other things tendered them by certain foreign countries (H. Rept. 2521). p. 15232

The Post Office and Civil Service Committee issued a report on the study of manpower utilization in financial management functions in the Federal Government (H. Rept. 2512). p. 15232

The Ways and Means Committee reported without amendment H. R. 11908, to repeal Sec. 1505 of the Social Security Act so that in determining eligibility of Federal employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws (H. Rept. 2515). p. 15232

10. INSPECTION SERVICES. The Government Operations Committee reported without amendment S. 3873, to permit the interchange of inspection services between executive agencies without reimbursement or transfer of funds (H. Rept. 2508). p. 15231

11. FORESTRY. The Interior and Insular Affairs Committee reported without amendment H. R. 12242, to authorize the sale or exchange of certain Forest Service lands in Pima County, Ariz. (H. Rept. 2523). p. 15232

12. RECLAMATION. The Interior and Insular Affairs Committee ordered reported H. R. 12899, to construct the San Luis unit of the Central Valley project, Calif.; and H. J. Res. 585, to authorize studies and a report on service to certain California counties from the Central Valley project. p. D814

13. ELECTRIFICATION. The Rules Committee adopted a motion to reconsider previous action of having tabled hearing to consider the granting of a rule on S. 1869, to authorize the TVA to issue and sell bonds to assist in the financing of its power programs. p. D814

# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 8, 1958
For actions of August 7, 1958
85th-2d, No. 135


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HIGHLIGHTS; House agreed to conference report to extend trade agreements authority. Sens. Aiken and Stennis urged compromise on the farm bill. Senate debated bill to revise procedures for election of CSS farmer committeemen. Senate agreed to conference report on bill prohibiting onion futures trading. Sens. Proxmire and Humphrey criticized farm program and size of USDA budget. House Rules Committee cleared area redevelopment bill. Both Houses agreed to conference report on Defense Department appropriation bill. Sen. Anderson submitted and discussed measure to re-establish acreage allotments and price support levels for 1959 upland cotton.

## HOUSE

1. FOREIGN TRADE. Agreed, 161 to 56, to the conference report on H. R. 12591, to extend the authority of the President to enter into trade agreements. pp. 15170-76

2. AREA REDEVELOPMENT. The Rules Committee granted a rule for consideration of S. 3683, to establish an effective program to alleviate conditions of substantial and persistent unemployment in certain economically depressed areas. p. D814

3. MINERALS. The Rules Committee announced agreement to hold hearings on S. 4036, to provide stabilization payments to certain mineral producers. p. D814
   Agreed to the conference report on S. 2069, to amend the Mineral Leasing Act so as to promote the development of coal on the public domain. p. 15186

85TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 2508

# AMENDING SECTION 201 OF THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, AS AMENDED, TO AUTHORIZE THE INTERCHANGE OF INSPECTION SERVICES BETWEEN EXECUTIVE AGENCIES, AND THE FURNISHING OF SUCH SERVICES BY ONE EXECUTIVE AGENCY TO ANOTHER, WITHOUT REIMBURSEMENT OR TRANSFER OF FUNDS

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AUGUST 7, 1958.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. DAWSON of Illinois, from the Committee on Government Operations, submitted the following

## REPORT

[To accompany S. 3873]

The Committee on Government Operations, to whom was referred the bill (S. 3873) amending section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another without reimbursement or transfer of funds, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

Your committee concurs with the recommendations of the Senate and adopts the report of the Senate as set forth in Senate Report No. 1681, 85th Congress, 2d session, which is attached and made a part hereof.

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[S. Rept. No. 1681, 85th Cong., 2d sess.]

### PURPOSE

The purpose of this bill is to authorize the interchange of inspection services between executive agencies and the furnishing of such services by one executive agency to another without reimbursement or transfer of funds. Enactment of this bill will eliminate the requirement for monetary reimbursement for inspection services rendered by one

executive agency to another, and to authorize administrative procedures whereby one executive agency may exchange its inspection services with those of other agencies on a reimbursement-in-kind basis, and, under certain conditions, waive reimbursement for such services furnished to another agency.

The Administrator of General Services informed the committee in executive session that the bill will promote economy and efficiency in the vast procurement work of the Government by dispensing with the present extensive billing, cross billing, and reimbursement procedures attendant upon agencies furnishing their inspection services to other agencies, as well as in manpower and travel costs.

S. 3873 was introduced in the Senate by the chairman of the Committee on Government Operations at the request of the Administrator of General Services. The committee has been informed that the bill was screened by the Bureau of the Budget with the principal agencies affected before submission to the Senate, and that it has been approved by the Department of Defense, Department of Agriculture, Department of Commerce, Bureau of the Budget, and the General Accounting Office.

## BACKGROUND

Section 201 (a) of the Federal Property and Administrative Services Act of 1949 imposes the responsibility on the Administrator of General Services, in respect of executive agencies and to the extent that he determines that in so doing it would be advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned, to prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including, among others, the related function of inspection. However, as regards the furnishing of inspection services by one executive agency to another, without reimbursement or transfer of funds, the General Services Administration encounters section 3678 of the Revised Statutes (31 U. S. C. 628), which reads as follows:

> Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others.

The Department of Defense has taken the view that expenditure of appropriated funds are permissible only for those purposes for which the appropriations were made, as provided by the above cited section, and that legislative action therefore appears necessary for the exchange of inspection services between GSA and the Department of Defense when reimbursement funds are not provided in the arrangement between them. Under this view, the Department of Defense, for example, having inspectors regularly stationed at a certain manufacturing plant supplying the Department, cannot make their services available to GSA for inspection of supplies which that plant may furnish to GSA unless the Department is reimbursed by GSA for the value of the inspection work done by the Department. The Administrator of General Services therefore recommends that the consequent burden of cross billing and paperwork should, from the point of efficient business procedure, be removed.

The proposed bill, by the addition of a new subsection (d) to section 201 of the Federal Property and Administrative Services Act of 1949, would alleviate this situation. Should the measure be enacted, the Administrator of General Services, utilizing his authority under section 201 (a) of the act with respect to inspection and his authority under section 205 (c) of the act to prescribe regulations necessary to effectuate his functions under the act, would be in a position to provide by regulation, with the consent of the agencies concerned, the following changes in procedure:

(1) Agencies may exchange inspection and testing services in the interest of overall economy on a reimbursement-in-kind basis, without cross billing or monetary reimbursement;

(2) When inspection and testing services performed by one agency for another result in time or other expenditure aggregating less than a limited dollar amount on a single contract or order, no charge need be made for the services (the Administrator, in requesting legislative action to the Senate and in executive session, suggested a maximum of $100);

(3) Agencies may perform inspection and testing services of any value without reimbursement where resident or itinerant services are immediately available in a manufacturing plant or nearby, and where personnel increases are not necessitated by the additional work.

Any such regulations issued by the Administrator would not, of course, affect the authority of agencies to make and receive reimbursement for inspection and testing services in appropriate cases, such as those where the volume of inspecting work is extensive, or would require the inspecting agency to augment its staff.

The proposal embodied in this bill finds a precedent in a comparatively recent enactment applicable only to the departments and organizations within the Department of Defense. The committee is informed that experience under this act has demonstrated that this procedure is both businesslike and economical. Section 621 of the National Military Establishment Appropriation Act, 1950 (63 Stat. 987, 1020, now codified in 10 U. S. C. 257), includes the provision that, if its head approves, a department or organization within the Department of Defense may, upon request, perform work and services for, or furnish supplies to any other of those departments or organizations without reimbursement or transfer of funds. The administrative implementation of this statutory authority (Department of Defense Directive No. 7230.1 of May 19, 1953) recognized that the processing of numerous small dollar value vouchers for reimbursement for interagency transactions results in unnecessary expense and uneconomical use of manpower, and required that (subject to certain exceptions) each military department shall therefore waive collection of reimbursements for interagency transactions where the amount involved is less than $100.

## AGENCY COMMENTS

The following communications have been received by the committee from the General Services Administration and the Bureau of the Budget in support of this bill:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
*Washington, D. C., May 27, 1958.*

Hon. JOHN L. MCCLELLAN,
*Chairman, Committee on Government Operations,*
*United States Senate, Washington, D. C.*

MY DEAR MR. CHAIRMAN: This is in response to your letter of May 22, 1958, requesting our views on S. 3873, a bill to amend section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds.

S. 3873 would authorize the Administrator of General Services to prescribe policies and issue regulations providing for the interchange of material inspection services among Federal agencies without reimbursement in cases where such agencies agree or consent to perform such inspection services for other agencies.

There appears to be adequate justification for legislation which will facilitate effective mutual cross-servicing inspection arrangements between agencies. Such arrangements should tend to minimize duplication of inspection services and reduce costs incident to cross billing for services rendered.

The Bureau of the Budget favors enactment of legislation as covered by S. 3873.

Sincerely yours,

PHILLIP S. HUGHES,
*Assistant Director for Legislative Reference.*

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GENERAL SERVICES ADMINISTRATION,
*Washington, D. C., April 9, 1958.*

Hon. RICHARD M. NIXON,
*President of the Senate,*
*Washington, D. C.*

MY DEAR MR. PRESIDENT: There is enclosed for your consideration a draft of a bill to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another without reimbursement or transfer of funds.

The purpose of this legislative proposal is to eliminate the requirement for monetary reimbursement for inspection services rendered by one executive agency to another, and to authorize administrative procedures whereby one executive agency may exchange its inspection services with those of other agencies on a reimbursement-in-kind basis, and, under certain conditions, waive reimbursement for such services furnished to another agency. Enactment of the proposed bill will promote economy and efficiency in the vast procurement work of the Government by dispensing with the present extensive billing, cross billing, and reimbursement procedures attendant upon agencies furnishing their inspection services to other agencies.

Where executive agency A, by reason of the large amount of its procurement from a particular supplier's plant, maintains inspectors

there or has them readily available from a nearby office of the agency, it is only good business practice for agency B, when it procures from that plant, to utilize the already available inspection services of agency A, rather than to furnish additional inspectors of its own.

Thus, many military inspection activities maintain resident inspectors, and also make inspection service available on an itinerant basis by groups of military material inspectors stationed in the area, in plants where GSA contracts are being placed. This work is performed for GSA and other agencies on a reimbursable or transfer of funds basis, with attendant cross billing involving heavy administrative costs. Conversely, over half of GSA's purchases are for delivery to military activities, and GSA (in some instances by the use of its own inspectors regularly stationed in plants) performs the inspection for the items delivered to the military. The cross billing by one agency to another for the inspection services rendered by the former agency leads into a maze of administrative and fiscal accounting costs, the elimination of which is sought by the proposal embodied in the enclosed bill. The overall interests of the Government will best be served by the interchange of inspection services with a minimum of accountability and exchange of funds.

Section 201 (a) of the Federal Property and Administrative Services Act of 1949 imposes the responsibility on the Administrator of General Services, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned, to prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including, among others, the related function of inspection. However, as regards the furnishing of inspection services by one executive agency to another, without reimbursement or transfer of funds, we encounter section 3678 of the Revised Statutes (31 U. S. C. 628), which reads as follows: "Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others."

The Department of Defense has taken the view that expenditures of appropriated funds are permissible only for those purposes for which the appropriations were made, and that legislative action therefore appears necessary for the exchange of inspection services between GSA and the Department of Defense when reimbursement funds are not provided in the arrangement between them. Under this view, the Department of Defense, for example, having inspectors regularly stationed at a certain manufacturing plant supplying the Department, cannot make their services available to GSA for inspection of supplies which that plant may furnish to GSA unless the Department is reimbursed by GSA for the value of the inspection work done by the Department for GSA. The consequent burden of cross billing and paperwork should, from the point of view of efficient business procedure, be removed.

The proposed bill, by the addition of a new subsection (d) to section 201 of the Federal Property and Administrative Services Act of 1949, would alleviate this situation. Should the measure be enacted, the Administrator of General Services, utilizing his authority under section 201 (a) of the act with respect to inspection, and his authority under

section 205 (c) of the act to prescribe regulations necessary to effectuate his functions under the act, would be in a position to provide by regulation that, with the consent of the agencies concerned:

(1) Agencies may exchange inspection and testing services in the interest of overall economy on a reimbursement-in-kind basis, without cross billing or monetary reimbursement;

(2) When inspection and testing services performed by one agency for another result in time or other expenditure aggregating less than a limited dollar amount (for example, $100) on a single contract or order, no charge need be made for the services; and

(3) Agencies may perform inspection and testing services of any value without reimbursement where resident or itinerant services are immediately available in a manufacturing plant or nearby, and where personnel increases are not necessitated by the additional work.

Any such regulations issued by the Administrator would not, of course, affect the authority of agencies to make and receive reimbursement for inspection and testing services in appropriate cases, such as those where the volume of inspecting work is extensive, or would require the inspecting agency to augment its staff.

The proposal embodied in the enclosed bill finds a precedent in a comparatively recent enactment applicable only to the departments and organizations within the Department of Defense, which we are informed has proven itself in operation to be both businesslike and economical. Section 621 of the National Military Establishment Appropriation Act, 1950 (63 Stat. 987, 1020, now codified in 10 U. S. C. 2571), includes the provision that, if its head approves, a department or organization within the Department of Defense may, upon request, perform work and services for, or furnish supplies to any other of those departments or organizations without reimbursement or transfer of funds. The administrative implementation of this statutory authority (Department of Defense Directive No. 7230.1 of May 19, 1953) recognized that the processing of numerous small dollar value vouchers for reimbursement for interagency transactions results in unnecessary expense and uneconomical use of manpower, and required that (subject to certain exceptions) each military department shall therefore waive collection of reimbursements for inter-agency and intra-agency transactions where the amount involved is less than $100.

We are informed that surveys conducted by the Army and the Navy some time ago indicated that the cost of originating and processing cross billing on a standard form 1080 (voucher for transfers between appropriations and/or funds) in a single instance ranged from $50 to $100. During the past few years, however, the Department of Defense and its military departments have practically eliminated overlapping and duplication of material inspection in over 30,000 manufacturing plants furnishing materials and equipment to the departments. In these plants a single military inspection activity performs inspection of all materials and equipment procurement for all the Armed Forces. The 14 military inspection activities of the Department of Defense (7 Army, 6 Navy, and 1 Air Force) perform inspection interchange for each other on a reimbursement-in-kind basis. There is no requirement that records be maintained to establish an equitable basis for the amount of reimbursement in kind. Thus cross billing, with its attendant high administrative costs, is eliminated.

The extension throughout the Government of uniform, adequate, and businesslike interchange of procurement inspection, testing, and acceptance services, as proposed by the enclosed bill, would encourage more effective utilization of personnel on a governmentwide basis. It would also promote the economy and efficiency sought to be attained by the Congress when it enacted the Federal Property and Administrative Services Act of 1949. Although no data are available as to the number of cross billings and transfers of funds that would be eliminated by enactment of the bill, it is obvious that dispensing with extensive paperwork and attendant financial accounting for individually small sums will achieve savings.

For these reasons, GSA recommends early enactment of the proposed bill.

The Bureau of the Budget has advised that there is no objection to the submission of this legislative proposal to the Congress.

Sincerely yours,

FRANKLIN FLOETE, *Administrator.*

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill as passed by the Senate, are shown as follows (new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 201 OF THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949 (40 U. S. C. 481)

TITLE II—PROPERTY MANAGEMENT

PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

SEC. 201. (a) The Administrator shall, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned—

(1) prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public utility services, and repairing and converting; and

(2) operate, and, after consultation with the executive agencies affected, consolidate, take over, or arrange for the operation by any executive agency of warehouses, supply centers, repair shops, fuel yards, and other similar facilities; and

(3) procure and supply personal property and nonpersonal services for the use of executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply such as those mentioned above in subparagraph (1): *Provided,* That contracts for public utility services may be made for periods not exceeding ten years; and

(4) with respect to transportation and other public utility services for the use of executive agencies, represent such agencies in negotiations with carriers and other public utilities and in pro-

ceedings involving carriers or other public utilities before Federal and State regulatory bodies;

*Provided*, That the Secretary of Defense may from time to time, and unless the President shall otherwise direct, exempt the National Military Establishment from action taken or which may be taken by the Administrator under clauses (1), (2), (3), and (4) above whenever he determines such exemption to be in the best interests of national security.

(b) The Administrator shall as far as practicable provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, upon its request.

(c) In acquiring personal property, any executive agency, under regulations to be prescribed by the Administrator, may exchange or sell similar items and may apply the exchange allowance or proceeds of sale in such cases in whole or in part payment for the property acquired: *Provided*, That any transaction carried out under the authority of this subsection shall be evidenced in writing.

*(d) In conformity with policies prescribed by the Administrator under subsection (a), any executive agency may utilize the services, work, materials, and equipment of any other executive agency, with the consent of such other executive agency, for the inspection of personal property incident to the procurement thereof, and notwithstanding section 3678 of the Revised Statutes (31 U. S. C. 628) or any other provision of law such other executive agency may furnish such services, work, materials, and equipment for that purpose without reimbursement or transfer of funds.*

○

Union Calendar No. 1035

85TH CONGRESS
2D SESSION

# S. 3873

[Report No. 2508]

IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 1958
Referred to the Committee on Government Operations

AUGUST 7, 1958
Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

# AN ACT

To amend section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 201 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377, as amended; 40 U. S. C. 481) is amended by adding at the end thereof the following new subsection:

"(d) In conformity with policies prescribed by the Administrator under subsection (a), any executive agency may utilize the services, work, materials, and equipment of

any other executive agency, with the consent of such other executive agency, for the inspection of personal property incident to the procurement thereof, and notwithstanding section 3678 of the Revised Statutes (31 U. S. C. 628) or any other provision of law such other executive agency may furnish such services, work, materials, and equipment for that purpose without reimbursement or transfer of funds."

Passed the Senate June 23, 1958.

Attest: FELTON M. JOHNSTON,

*Secretary.*

Union Calendar No. 1035

85TH CONGRESS
2D SESSION

# S. 3873

[Report No. 2508]

# AN ACT

To amend section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds.

JUNE 24, 1958

Referred to the Committee on Government Operations

AUGUST 7, 1958

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

AN ACT

11. PERSONNEL. Passed as reported H. R. 9407, to provide additional opportunity for certain employees to obtain career-conditional and career appointments in the competitive service. p. 16848

Passed without amendment S. 4004, to encourage transfers of Federal employees for service with international organizations. This bill will now be sent to the President. pp. 16849-49

Passed as reported S. 3195, to authorize certain retired Federal personnel to accept and wear decorations, presents, and other things tendered them by certain foreign countries. pp. 16850-66

12. INSPECTION SERVICES. Passed without amendment S. 3873, to permit the interchange of inspection services between executive agencies without reimbursement or transfer of funds. This bill will now be sent to the President. p. 16867

13. MINING CLAIMS. Passed over without prejudice, at the request of Rep. Saylor, S. 2039, to clarify the requirements with respect to the performance of labor imposed as a condition for the holding of mining claims on Federal lands pending the issuance of patents therefor. p. 16867

14. EDUCATION. The Rules Committee reported a resolution for consideration of H. R. 13247, the national defense education bill. p. 16887

15. SALINE WATER. The "Daily Digest" states that conferees agreed to file a report on "S. J. Res. 135, relating to the conversion of saline water to potable uses." p. D871

16. LEGISLATIVE PROCEDURE. Rep. Arends objected to scheduling numerous bills in the House for consideration under suspension of the rules, stating that "some of these bills you have scheduled are of major importance and highly controversial and extremely costly to the American people." p. 16804

SENATE

17. FARM PROGRAM. Concurred in the House amendment to S. 4071, the Senate farm bill. This bill will now be sent to the President. (pp. 16748-59) See Digest 140 regarding provisions of the House Amendment.

18. FARM LABOR. Passed without amendment H. R. 10360, to extend the Mexican farm labor program until June 30, 1961. This bill will now be sent to the President. p. 16659

19. LIVESTOCK DISEASES. Passed as reported H. R. 12126, to extend to wild animals the same prohibition against entry into the U. S. as domestic animals from any country where rinderpest or foot-or-mouth disease exists. p. 16661

20. MARGARINE. Passed with amendment H. R. 912, to amend the Navy ration statute to permit the serving of oleo or margarine. pp. 16661-2

21. TEXTILES. Passed with amendments H. R. 469, to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products. (pp. 16720-1, 16725, 16726-45)

Adopted the committee amendments, and an amendment by Sen. Javits, to eliminate language requiring the labeling of the containers of imported textile products (p. 16744).

22. WATER RESOURCES. Passed with amendments H. R. 5497, to authorize Federal assistance for certain fish and wildlife development projects under the Watershed Protection and Flood Prevention Act. Agreed to two amendments by Sen. Cotton to exclude recreational facilities from the bill. pp. 16716-19

Passed with amendment H. R. 12216, to designate a dam on the Cumberland River near Carthage, Tenn., as the Cordell Hull Dam, and to establish a U. S. study commission on certain Texas river basins. pp. 16634-5

Passed without amendment H. J. Res. 585, to authorize the Secretary of the Interior to conduct studies into the feasibility of furnishing water from the Central Valley Project to the counties of Santa Clara, San Benito, Santa Cruz, and Monterey, Calif., by way of the Pacheco Tunnel route or other means. This measure will now be sent to the President. p. 16638

Sen. Neuberger discussed S. 3185, to require the FPC to secure approval by the Secretary of the Interior of any license affecting fish and wildlife resources. He asserted that the amendment proposed by Sen. Morse, to require only that the FPC receive recommendations but not be bound by them, would maintain the present situation in FPC, which, he alleged, "has neither special competence nor special sympathy for conservation goals and methods, when they would militate against construction of a power project." pp. 16622-26

Sen. Watkins inserted two articles on Russian hydro-power development which asserted that their program was behind schedule, and greater emphasis was now being placed on thermal power generation. pp. 16617-18

Sen. Johnson discussed the development of Texas' water resources and urged the development of a unified program. pp. 16611-12

23. FORESTRY. Passed without amendment H. R. 8481, to extend title IV of the Agricultural Act of 1956, relating to forestry, to Hawaii. This bill will now be sent to the President. p. 16638

Sen. Humphrey inserted resolutions from the cities of Tower, Eveleth, and Kinney, Minn., urging the appropriation of additional funds for construction projects planned for the Superior National Forest. p. 16613

24. LAND UTILIZATION. Passed without amendment H. R. 12494, to authorize this Department, in selling or agreeing to the sale of certain lands to N. C., to permit the State to sell or exchange such lands for private purposes. This bill will now be sent to the President. p. 16638

25. ELECTRIFICATION. Passed without amendment S. 3571, to provide for equal treatment of all State-owned hydro-electric power projects with respect to the taking over of such projects by the U. S. p. 16633

Sen. Humphrey inserted a resolution from the East River Electric Power Cooperative urging the enactment of S. 2990 and H. R. 11762, to transfer certain REA functions from the Secretary to the REA Administrator. pp. 16612-13

26. RESEARCH. Passed with amendment S. 3268, to provide various amendments to the National Science Foundation Act. pp. 16631-2

27. ADMINISTRATIVE ORDERS. The Judiciary Committee reported without amendment H. R. 6789, to provide for reasonable notice of applications to the U. S. courts of appeals for interlocutory relief against the orders of certain administrative agencies (S. Rept. 2435). p. 16613

28. FOOD ADDITIVES. The Labor and Public Welfare Committee reported with amendments H. R. 13254, to amend the Federal Food, Drug, and Cosmetic Act so as to prohibit the use in foods of additives which have not been adequately tested to establish their safety (S. Rept. 2422). p. 16613

upon. The lands conveyed by either party under (a) or by the Secretary under (b) may be subject to such other reservations, exceptions, and conditions as the Secretary and the board may approve.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H. R. 12242, was laid on the table.

## PAN AMERICAN GAMES, CHICAGO, ILL.

The Clerk called the bill (H. R. 13343) to authorize the appropriation of $500,000 to be spent for the purpose of the Pan American games to be held in Chicago, Ill.

The Clerk read the title of the bill.

Mr. GROSS. Mr. Speaker, reserving the right to object. This bill is programed for action under suspension and I ask unanimous consent that it be passed over without prejudice.

Mr. BOW. Mr. Speaker, I object.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BOW. Mr. Speaker, I object.

## INVESTIGATION ON ADVISABILITY OF NATIONAL PARK IN WHEELER PEAK-LEHMAN CAVES, SNAKE RANGE IN EASTERN NEVADA

The Clerk called the bill (S. 3587) to provide that the Secretary of the Interior shall investigate and report to the Congress as to the advisability of establishing a national park in the Wheeler Peak-Lehman Caves area of the Snake Range in eastern Nevada.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

## AMENDING SECTION 201, FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

The Clerk called the bill (S. 3873) to amend section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 201 of the Federal Property and Administration Services Act of 1949 (63 Stat. 377, as amended; 40 U. S. C. 481) is amended by adding at the end thereof the following new subsection:

"(d) In conformity with policies prescribed by the Administrator under subsection (a), any executive agency may utilize the services, work, materials, and equipment of any other executive agency, with the consent of such other executive agency, for the inspection of personal property incident to the procurement thereof, and notwithstanding section 3678 of the Revised Statutes (31 U. S. C. 628) or any other provision of law such other executive agency may furnish such services, work, materials, and equipment for that purpose without reimbursement or transfer of funds."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## VILLAGE OF CAREY, OHIO

The Clerk called the bill (S. 3139) to repeal the act of July 2, 1956, concerning the conveyance of certain property of the United States to the village of Carey, Ohio.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the act of July 2, 1956 (70 Stat. 486, ch. 496), is hereby repealed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## MINING CLAIMS ON FEDERAL LANDS

The Clerk called the bill (S. 2039) to clarify the requirements with respect to the performance of labor imposed as a condition for the holding of mining claims on Federal lands pending the issuance of patents therefor.

The Clerk read the title of the bill.

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## NATCHEZ TRACE PARKWAY, MISS.

The Clerk called the bill (H. R. 12852) to authorize the Secretary of the Interior to enter into an agreement for relocating portions of the Natchez Trace Parkway, Miss., and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the present consideration of the Senate bill (S. 3986) to authorize the Secretary of the Interior to enter into an agreement for relocating portions of the Natchez Trace Parkway, Miss., and for other purposes, an identical bill, in lieu of the House bill.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the Senate bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Interior is authorized to enter into an agreement with the Pearl River Valley Water Supply District which shall provide for the district, upon terms and conditions which the Secretary determines are in the public interest, to relocate those portions of sections 3–O and 3–N of the Natchez Trace Parkway in Madison County, Miss., required in connection with the Pearl River Reservoir.

SEC. 2. To cooperate in the relocation, the Secretary of the Interior is authorized to transfer to the Pearl River Valley Water Supply District the aforesaid portions of the existing Natchez Trace Parkway lands and roadway in exchange for the contemporaneous transfer to the United States of relocated parkway lands and roadway situated and constructed in accordance with the terms and conditions of the agreement authorized by the first section of this act: *Provided,* That such exchange shall be made on the basis of approximately equal values.

SEC. 3. The Secretary of the Interior is authorized to accept and to use until expended without additional authority any funds provided by the district for the purpose of this act pursuant to agreement with the Secretary of the Interior, and any such funds shall be placed in a separate account in the Treasury which shall be available for such purpose.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H. R. 12852, was laid on the table.

## SISKIYOU NATIONAL FOREST, OREG.

The Clerk called the bill (H. R. 13101) to extend the boundaries of the Siskiyou National Forest in the State of Oregon, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the boundaries of the Siskiyou National Forest in the State of Oregon are hereby extended to include sections 31 through 36, township 35 south, range 13 west, Willamette meridian, and to include all lands not presently included within the boundaries thereof in township 35 south, ranges 11 and 12 west and township 34 south, range 11 west, Willamette meridian. Subject to valid and existing claims, all lands of the United States within the area to which such boundaries are extended are hereby made parts of the Siskiyou National Forest and hereafter shall be subject to the laws, rules, and regulations relating thereto: *Provided,*

SEC. 2. Mining locations hereafter made under the mining laws of the United States upon the lands to which the boundaries of the Siskiyou National Forest are extended by section 1 of this act shall confer on the locator the right to occupy and use only so much of the surface of the land covered by the location as may be reasonably neces-

sary to carry on prospecting, mining, and beneficiation of ores, including the taking of mineral deposits and timber required by or in the mining and ore reducing operations, and no permit shall be required or charge made for such use or occupancy: *Provided,* That the cutting and removal of timber, except where clearing is necessary in connection with mining operations or to provide space for buildings or structures used in connection with mining operations, shall be conducted in accordance with the rules for timber cutting on adjoining national forest land, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining and prospecting shall be allowed except under the national forest rules and regulations, nor shall the locator prevent or obstruct other occupancy of the surface or use of surface resources under authority of national forest regulations, or permits issued thereunder, if such occupancy or use is not in conflict with mineral development.

SEC. 3. All patents issued under the United States mining laws affecting lands to which the boundaries of the Siskiyou National Forest are extended by section 1 of this act shall convey title to the mineral deposits within the claim, together with the right to cut and remove so much of the mature timber therefrom as may be needed in the extraction, removal, and benefication of the mineral deposits, if the timber is cut and removed in accordance with the rules and regulations for timber cutting on adjoining national forest lands, but each patent shall reserve to the United States all title in or to the surface of the lands and products thereof, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining or prospecting shall be allowed except under the national forest rules and regulations.

SEC. 4. Valid mining claims within the area to which the boundaries of the Siskiyou National Forest are extended by section 1 of this act existing on the date of this act and hereinafter maintained may be perfected under the laws under which they were initiated.

With the following committee amendments:

Page 2, line 2, change the period to a colon and add the following proviso:

"*Provided,* That the Secretaries of the Interior and Agriculture are authorized to exchange administrative jurisdiction of lots 4 and 11, sec. 19, T. 34 S., R. 11 W., Willamette meridian, which are revested Oregon and California Railroad grant lands, and national forest lands in the State of Oregon of approximately equal aggregate value under the provisions of section 2 of the act of June 24, 1954 (68 Stat. 271), and said lots 4 and 11 upon completion of such exchange of jurisdiction, but not before, shall be subject to all provisions of this act."

Page 2, line 3, through page 3, line 20, strike out all of sections 2, 3, and 4.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 4053) to extend the boundaries of the Siskiyou National Forest in the State of Oregon, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado [Mr. ASPINALL]?

There was no objection.

The Clerk read the Senate bill, as follows:

*Be it enacted, etc.,* That the boundaries of the Siskiyou National Forest in the State of Oregon are hereby extended to include sections 31 through 36, township 35 south, range 13 west, Willamette meridian, and to include all lands not presently included within the boundaries thereof in township 35 south, ranges 11 and 12 west, and township 34 south, range 11 west, Willamette meridian. Subject to valid and existing claims, all lands of the United States within the area to which such boundaries are extended are hereby made parts of the Siskiyou National Forest and hereafter shall be subject to the laws, rules, and regulations relating thereto: *Provided,* That the Secretaries of the Interior and Agriculture are authorized to exchange administrative jurisdiction of lots 4 and 11, section 19, township 34 south, range 11 west, Willamette meridian, which are revested Oregon and California Railroad grant lands, and national forest lands in the State of Oregon of approximately equal aggregate value under the provisions of section 2 of the act of June 24, 1954 (68 Stat. 271), and said lots 4 and 11 upon completion of such exchange of jurisdiction, but not before, shall be subject to all provisions of this act.

SEC. 2. Mining locations hereafter made under the mining laws of the United States upon the lands to which the boundaries of the Siskiyou National Forest are extended by section 1 of this act shall confer on the locator the right to occupy and use only so much of the surface of the land covered by the location as may be reasonably necessary to carry on prospecting, mining, and beneficiation of ores, including the taking of mineral deposits and timber required by or in the mining and ore reducing operations, and no permit shall be required or charge made for such use or occupancy: *Provided,* That the cutting and removal of timber, except where clearing is necessary in connection with mining operations or to provide space for buildings or structures used in connection with mining operations, shall be conducted in accordance with the rules for timber cutting on adjoining national forest land, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining and prospecting shall be allowed except under the national forest rules and regulations, nor shall the locator prevent or obstruct other occupancy of the surface or use of surface resources under authority of national forest regulations, or permits issued thereunder, if such occupancy or use is not in conflict with mineral development.

SEC. 3. All patents issued under the United States mining laws affecting lands to which the boundaries of the Siskiyou National Forest are extended by section 1 of this act shall convey title to the mineral deposits within the claim, together with the right to cut and remove so much of the mature timber therefrom as may be needed in the extraction, removal, and beneficiation of the mineral deposits, if the timber is cut and removed in accordance with the rules and regulations for timber cutting on adjoining national forest land, but each patent shall reserve to the United States all title in or to the surface of the lands and products thereof, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining or prospecting shall be allowed except unde the national forest rules and regulations.

SEC. 4. Valid mining claims within the area to which the boundaries of the Siskiyou National Forest are extended by section 1 of this act existing on the date of this act and hereafter maintained may be perfected under the laws under which they were initiated.

Mr. ASPINALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ASPINALL moves to strike out all after the enacting clause of S. 4053 and insert the provisions of the House bill, H. R. 13101, as passed.

The motion was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

On the motion of Mr. ASPINALL (and by unanimous consent), the proceedings whereby the bill, H. R. 13101, was passed were vacated and the bill was laid on the table.

## CROW INDIAN RESERVATION, MONT.

The Clerk called the bill (S. 328) to grant minerals, including oil and gas, on certain lands in the Crow Indian Reservation, Mont., to certain Indians, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## AUTHORIZING THE CONVEYANCE OF PIERS TO THE CITY OF PHILADELPHIA

The Clerk called the bill (H. R. 12640) to authorize the Secretary of the Army to convey to the city of Philadelphia, Pa., certain piers and other facilities of the United States located in such city.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, this bill is programed for consideration under suspension of the rules. I ask unanimous consent that it be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

## PATENT OFFICE BOARD OF APPEALS AND CERTAIN SALARIES

The Clerk called the bill (S. 1864) to authorize an increase in the membership of the Board of Appeals of the Patent Office; to provide increased salaries for certain officers and employees of the Patent Office; and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

# Public Law 85-781
# 85th Congress, S. 3873
# August 27, 1958

## AN ACT

72 Stat. 936.

To amend section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 201 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377, as amended; 40 U. S. C. 481) is amended by adding at the end thereof the following new subsection:

Federal property management.

"(d) In conformity with policies prescribed by the Administrator under subsection (a), any executive agency may utilize the services, work, materials, and equipment of any other executive agency, with the consent of such other executive agency, for the inspection of personal property incident to the procurement thereof, and notwithstanding section 3678 of the Revised Statutes (31 U. S. C. 628) or any other provision of law such other executive agency may furnish such services, work, materials, and equipment for that purpose without reimbursement or transfer of funds."

Inspection.

Approved August 27, 1958.

GPO 20139